FINANCIAL AND ECONOMIC REVIEW

FORTY-SEVENTH EDITION
SEPTEMBER 1997

Province of
British Columbia

Ministry of Finance
and Corporate Relations

MESSAGE FROM THE MINISTER

I am pleased to release the forty-seventh edition of the British Columbia *Financial and Economic Review.*

This publication is a valuable source of information about provincial government programs and activities. It also presents up-to-date information on government finances, Crown corporations, enterprises and agencies and on the provincial economy.

I trust all those who read the British Columbia *Financial and Economic Review* will find it both interesting and informative.

MEL COUVELIER
Minister

British Columbia Cataloguing in Publication Data
Main entry under title:
Financial and economic review.—23rd ed. (1963)–

Annual
Cover title, 23rd–39th eds.: British Columbia financial and economic review.
Twenty-third–36th eds., 1963–1976, issued by the ministry under earlier name, Dept. of Finance.
Continues: Economic review of resources, production and government finances. ISSN 0701-9874
ISSN 0701-9882 = Financial and economic review (Victoria)

1. Finance, Public—British Columbia—Yearbooks. 2. British Columbia—Economic conditions —1945– —Yearbooks.* I. British Columbia. Ministry of Finance. II. British Columbia. Dept. of Finance. III. Title: British Columbia financial and economic review.

HC117.B7F55 330.9711'04

Copies of this document
may be obtained from:

Queen's Printer
Publications
Parliament Buildings
Victoria, British Columbia
Canada
V8V 4R6

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1

ECONOMIC REVIEW

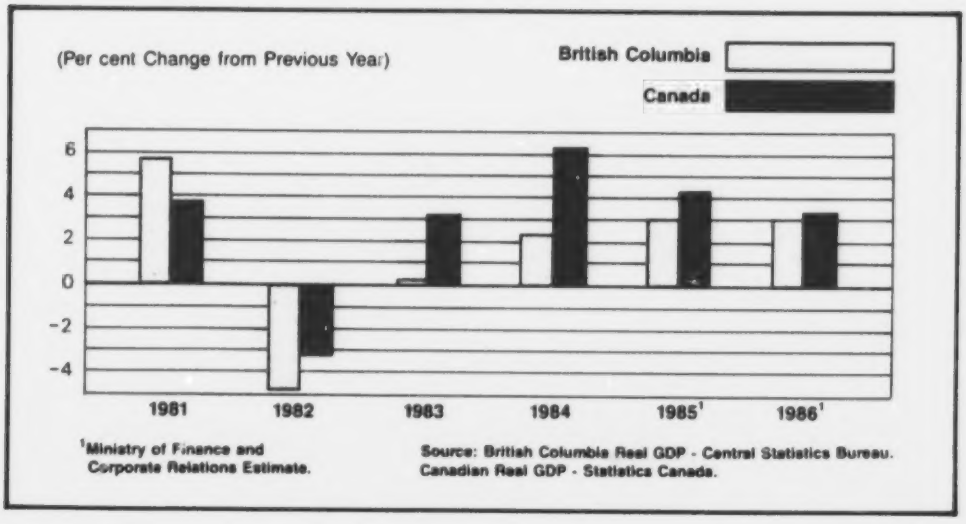
1. Economic Review

Overview

In 1986 the British Columbia economy experienced its second year of relatively strong economic growth. However, economic activity during the year was uneven as strong growth in the service sector, largely attributable to Expo 86 (see Topic Box), was partly offset by the impact of a labour dispute in the lumber industry.

Real gross domestic product, the output of all goods and services produced in British Columbia, is estimated to have increased by 3.0 per cent in 1986, the same rate of expansion recorded in 1985. United States gross national product grew 2.9 per cent. Increased personal expenditure and business investment helped the Canadian economy record the best performance among major industrial countries with growth of 3.3 per cent.

Chart 1.1 Real Gross Domestic Product



¹Ministry of Finance and Corporate Relations Estimate.

Source: British Columbia Real GDP - Central Statistics Bureau.
Canadian Real GDP - Statistics Canada.

ECONOMIC IMPACT OF EXPO 86

Expo 86, the World Exposition on Transportation and Communications, was held from May 2 to October 13, 1986 on two downtown Vancouver sites totalling 173 acres. Initial attendance projections were surpassed by a wide margin as a total of 22.1 million visitors were attracted to the fair's 106 Canadian, international and corporate pavilions during Expo's six months of operation.

The fair attracted a large number of non-resident visitors to the Lower Mainland. Of those visiting the fair, 60 per cent were from outside British Columbia; of the British Columbian visitors, 25 per cent were from outside the Vancouver area.

Cost and Financing

An estimated $1.5 billion was spent on the fair's construction and operation. Expo 86 Corporation contributed $706 million, with the remaining costs borne by sponsors and participants. After revenues of $369 million, Expo 86 Corporation's deficit totalled $337 million, to be paid off with the profits from a major government-run lottery, Lotto 6/49. Most of this amount was paid off by March 31, 1987, with just $60.2 million remaining at that date. These cost figures include costs of demolition and site restoration.

Although attendance exceeded expectations, revenue was below budget, partially due to unexpectedly high numbers of season pass sales. Expo 86 Corporation met its deficit target by reducing expenditures.

Impact on the Economy

Prior to opening, Expo 86 provided economic stimulus through expenditures on planning, site preparation and construction. During the fair, economic benefits flowed from increased tourist spending and expanded employment, especially in the service industries.

Provincial tourism statistics give an indication of Expo's success in drawing tourists to British Columbia. Entries of United States residents staying for one or more nights increased 87.2 per cent in 1986 after an increase of only 7.2 per cent in 1985. Entries of overseas residents increased 48.4 per cent in 1986, following a decline of 5.2 per cent in 1985.

Spending on the Expo site totalled $486 million. Only an estimated 60 per cent of this expenditure represented a net addition to the provincial economy since many products sold at the fair were produced outside the province and a portion of spending by British Columbians would have been spent on other goods and services had the fair not taken place.

Tourists spent an additional $450 million off the fair site for food, lodging and general merchandise. The net benefit of these off-site expenditures, after accounting for spin-off effects, totalled $550 million.

The total impact of Expo's operating phase, including its indirect effects, was $840 million or 1.5 per cent of the provincial gross domestic product in 1986.

Regional Economic Impact

The benefits of Expo were concentrated in the Lower Mainland region and, to a lesser extent, on Vancouver Island. Vancouver retail sales jumped 12.3 per cent during Expo, while the rest of the province recorded an increase of 6.6 per cent. Provincial tax data confirm this pattern: hotel room and social service tax collections in the Lower Mainland increased 15.2 per cent, compared to a 12.9 per cent increase on Vancouver Island and lower increases in other regions.

Tourist spending generated by Expo 86 led to a significant increase in employment. During Expo the number of persons employed in the Lower Mainland increased by 53,500, or 7.6 per cent, including 29,000 jobs on the Expo site and numerous off-site jobs in the tourist industry.

Employment in the province as a whole increased during the same period by only 4.0 per cent, or 50,000 jobs, and some regions may have temporarily lost jobs as Expo 86 drew visitors away from traditional tourist destinations. However, these regions can expect to benefit in the future from increased international awareness of British Columbia as a tourist destination.

Regional Economic Indicators*
(May to October 1986 over May to October 1985)

	Lower Mainland	British Columbia
	percentage change	
Social Service Tax Collections	13.3	11.6
Hotel Room Tax Collections	111.6	62.9
Retail Sales	12.3	9.5
Employment	7.6	4.0

* Not seasonally adjusted.

Post-Expo Developments

With the closing of Expo 86, responsibility for the site's restoration and development passed to British Columbia Place Corporation and its successor, the B.C. Enterprise Corporation. Development of the site will take place over many years but is eventually expected to include a mix of residential, commercial and office space as well as large areas devoted to parks and public space. The development will also incorporate Expo 86 legacies such as the British Columbia Pavilion complex, the Expo Centre, the Round House, as well as the Vancouver Trade and Convention Centre on the Vancouver waterfront.

The major factor in the province's strong economic performance in 1986 was Expo 86. Visits to the six-month fair exceeded 22 million with a majority of the visitors from outside British Columbia. Provincial tourism indicators increased substantially in 1986. Entries of United States residents rose 70 per cent to 6.5 million while the number of overseas visitors increased 48 per cent to 544,000.

The large number of tourists entering British Columbia contributed to an 8.8 per cent increase in retail sales in 1986.

Other indicators also reflect the strength of the British Columbia economy during 1986. Employment grew 3.7 per cent, the best performance in five years. The unemployment rate decreased to 12.6 per cent from 14.2 per cent in 1985. Housing starts rose 15.1 per cent and the value of manufacturing shipments increased 7.7 per cent.

The province's lumber industry began the year producing at record levels, but was affected by a 20-week strike by the International Woodworkers of America during the second half. This also had an indirect impact on general employment, retail sales and investment.

Other areas of the resource sector fared better. Pulp and paper producers enjoyed increased demand and were able to increase prices and production during the year. Prices increased for many minerals, including gold, zinc, lead and aluminum.

Capital investment in British Columbia fell 8.2 per cent in 1986. Reduced investment was due, in part, to completion of Expo-related projects. Expenditures were down in all industrial sectors except manufacturing and residential construction.

Sectoral growth was affected by Expo 86 and developments in the forest industry. The Ministry of Finance and Corporate Relations estimates that output in the goods-producing sector grew by only 1.0 per cent in 1986 compared to 3.6 per cent in the service sector. The pattern is consistent with long-term trends, although accentuated by Expo.

The Vancouver Consumer Price Index increased 3.3 per cent in 1986, compared to the national average of 4.2 per cent. This is the fifth year that Vancouver consumer prices have risen at a slower rate than the Canadian average. Detailed statistical indicators of economic activity are provided in Appendix 1.

United States trade protectionism affected the province in 1986. Early in the year, the United States government imposed a 35 per cent tariff on imports of red-cedar shakes and shingles, and in January 1987 the Canadian government, responding to United States concerns, voluntarily imposed a 15 per cent export tax on softwood lumber shipments to the United States. (See Topic Box.)

THE CANADIAN SOFTWOOD LUMBER EXPORT TAX

Following a failed attempt to obtain tariffs on Canadian softwood lumber in 1983, a coalition of U.S. lumber producers renewed their efforts to restrict the access of Canadian lumber to the American market in 1986.

The U.S. Producers' Case

The basis of the American lumber industry's complaints was that Canadian forest management practices unfairly subsidized the Canadian lumber industry through artificially low stumpage fees. (Stumpage fees are charges for the removal of timber from public lands.) The U.S. industry's petition to the Department of Commerce for countervailing duties argued that resulting Canadian over-production had reduced lumber prices and driven many American producers out of business.

The Canadian Response

The U.S. coalition argued that Canadian stumpage rates should be the same as in competing American states. The Canadian position was that the two systems were completely different and that the higher costs of harvesting timber in some regions of Canada justified whatever stumpage differentials existed.

Canada also pointed to the appreciation of the American dollar to explain the U.S. producers' problems. Between 1976 and 1986, as the value of the Canadian dollar fell against the U.S. dollar, the Canadian lumber industry became more competitive and its share of the U.S. market grew from 22 per cent in 1976 to over 33 per cent in 1985. (The 1986 share fell to 30 per cent because of the 20-week International Woodworkers of America strike.)

Ultimately, the efforts of the American coalition of lumber producers resulted in a preliminary finding in October 1986 by the United States Department of Commerce that Canadian softwood lumber exports were subsidized. Following negotiations, the federal and provincial governments agreed to impose a 15 per cent federal export tax on Canadian softwood lumber exports to the United States. In return, the United States Department of Commerce agreed to discontinue its investigation and the U.S. producers agreed to drop their petition for a countervailing duty. All provinces except Ontario supported this arrangement. The new tax came into effect on January 8, 1987.

Impact of the Export Tax

Despite predictions that the export tax would cost thousands of Canadian jobs, several factors have combined to support lumber prices and minimize the apparent impact of the tax. These include:

- strong housing starts in the United States during early 1987 due to mild weather;
- a larger-than-expected decline in interest rates during the second half of 1986 and the first quarter of 1987, which also contributed to housing market strength;
- depleted lumber inventories, partly because of the forest industry strike; and,
- the fact that most of the burden of the tax ultimately is borne by the American consumer.

The transitory nature of all but the last of these factors makes it difficult to predict the longer-run impact of the softwood lumber export tax. Adding to the uncertainty are developments such as tax reform in the United States and its impact on construction activity and lumber demand.

The lumber export tax is a significant new source of revenue for the British Columbia government. Based on historical data and estimates of the North American lumber market's response to the new tax, 1987/88 revenues of $350 million have been estimated.

Export Tax Replacement

Because the federal lumber export tax affects an area of provincial jurisdiction, the provinces intend to replace the federal tax with increased stumpage fees and other measures. Resolution of this issue has been delayed by the length of time taken to pass the federal export tax legislation; this legislation was finally proclaimed on July 23, 1987. It has also proven difficult to obtain the agreement of all affected provinces on replacement measures that would satisfy the terms of the understanding reached between the Governments of Canada and the United States.

Broader Implications

British Columbia has conveyed a strong message to the federal government that one of the primary objectives in the Canada-United States trade negotiations should be to establish a mechanism that would allow disputes such as those raised over softwood lumber to be resolved jointly, rather than through the unilateral application of United States or Canadian trade law. While the softwood case was settled "out of court", the outcome might have been different if the Canadian negotiators had not been convinced that the U.S. political process would result in a negative finding against Canada, regardless of the substance of the American producers' case.

The softwood case and other trade disputes illustrate a basic asymmetry in the application of Canadian and United States trade laws. A small export-dependent economy can be severely harmed by trade sanctions imposed by a large trading partner, but its own sanctions will have little impact on the bigger country. To date, this has been the general pattern of Canadian and American trade sanctions. An effective Canadian-American dispute settlement mechanism could avoid a repeat of the softwood lumber episode and other similar cases.

Exports

Exports of goods of British Columbia origin rose to an estimated $12.7 billion in 1986, up 3.3 per cent from estimated 1985 exports of $12.3 billion. Higher exports of forest and fish products, which together increased by $868 million, or 12.8 per cent, more than offset declines in other sectors. Pulp exports were up 24.2 per cent due to increased volumes and higher prices. Large increases were also recorded in exports of lumber, aluminum and copper concentrates.

A substantial price reduction in natural gas and falling demand for coal, electricity, zinc and gasoline reduced 1986 exports by $638 million, or 23.2 per cent, for these five commodities alone, compared with the previous year. The largest reduction, in both dollar and percentage terms, was recorded in electricity exports to the United States.

Table 1.1

Exports of British Columbia Products to Major Countries

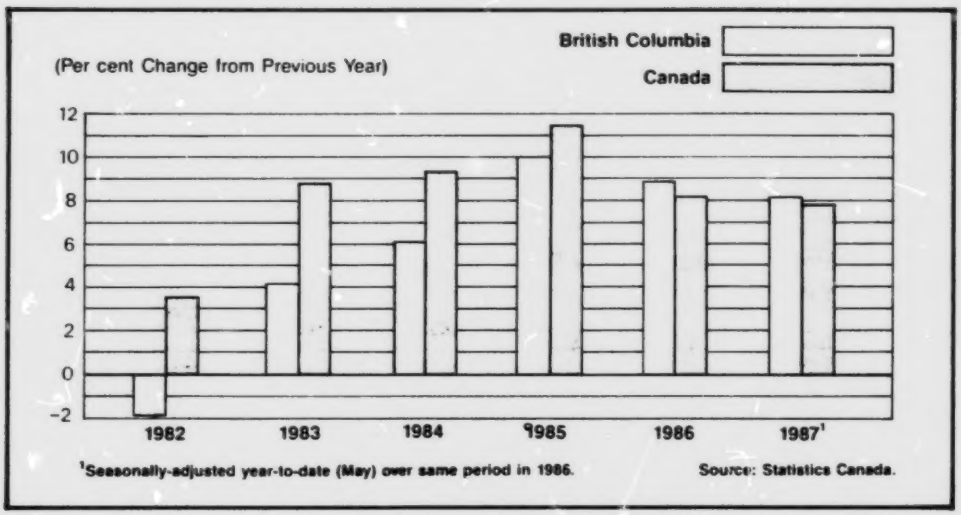
	Value		Change	Per Cent of Total	
	1985	1986	1985–1986	1985	1986
	($ millions)		(per cent)		
United States	6,248.5	6,109.3	−2.2	50.7	48.0
Japan	2,962.4	3,266.1	10.3	24.0	25.7
United Kingdom	405.7	517.9	27.7	3.3	4.1
Other European Economic Community	886.5	1,067.3	20.4	7.2	8.4
China (PRC)	283.6	202.1	−28.7	2.3	1.6
South Korea	346.3	387.7	12.0	2.8	3.0
Australia	203.4	201.8	−0.8	1.7	1.6
Taiwan	182.3	193.2	6.0	1.5	1.5
Other countries	795.8	769.4	−3.3	6.5	6.1
Total	12,314.5	12,714.8	3.3	100.0	100.0

Exports to the United States declined slightly in 1986 as that nation's share of British Columbia's foreign sales slipped to 48.1 per cent from 50.7 per cent in 1985. Reversing a downward trend, the European Economic Community increased its share to 12.5 per cent from 10.3 per cent in 1985. Exports to Japan rose 10.3 per cent or $303.7 million, the largest dollar increase for any nation, following a modest 1.6 per cent increase in 1985. Japan's share of British Columbia's exports rose to 25.7 per cent in 1986 from 24.0 per cent in 1985. This shift in trade patterns reflects the significant depreciation of the Canadian dollar relative to European and Japanese currencies, which made our exports more competitive. South Korea continued to be among the fastest growing Pacific Rim markets with 1986 imports of British Columbia products up 12 per cent.

Consumer Expenditure

Retail sales in British Columbia increased 8.8 per cent in 1986, following growth of 10.0 per cent in 1985. The boost to retail sales resulting from Expo 86 was diminished by the indirect effects of the IWA strike. This led to a drop in consumer spending between the third and fourth quarters of 1986.

Chart 1.2 Annual Growth in Retail Sales



[1]Seasonally-adjusted year-to-date (May) over same period in 1986.

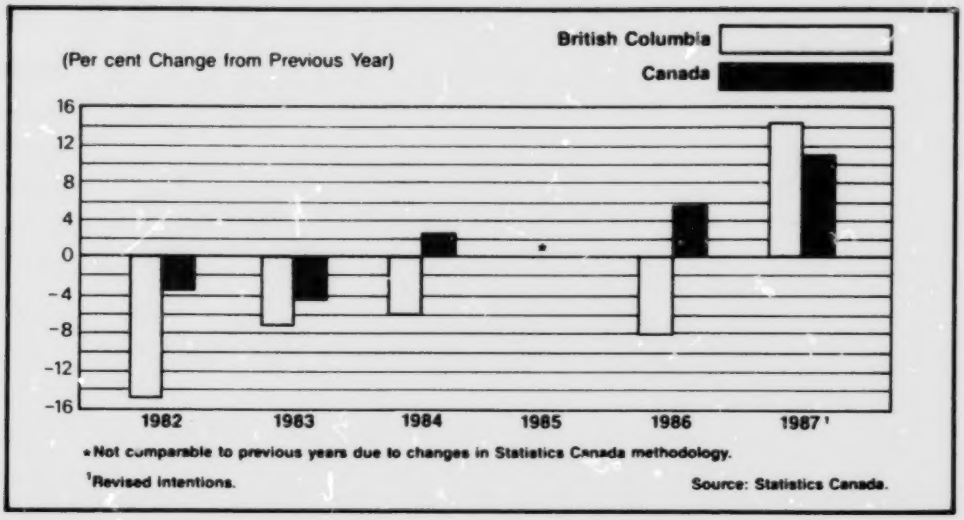
Source: Statistics Canada.

Capital Investment

Capital investment fell an estimated 8.2 per cent in 1986, mostly due to the completion of Expo-related construction projects. Increased capital expenditures in the manufacturing and housing industries of 7.4 per cent and 7.2 per cent, respectively, were more than offset by declines in all other industrial sectors. Investment by primary industries fell 19.8 per cent while the transportation, communications and utilities sector reduced its expenditures 18.8 per cent. Capital expenditures in the trade, finance and commercial sector and in institutions and government departments fell 14.0 per cent and 11.5 per cent, respectively, in 1986.

Capital investment increased 5.7 per cent in Canada as a whole in 1986. This increase was due to a 20.9 per cent increase in residential housing investment and, to a lesser extent, a 1.6 per cent increase in business investment.

Chart 1.3 Annual Growth in Fixed Capital Investment



*Not comparable to previous years due to changes in Statistics Canada methodology.

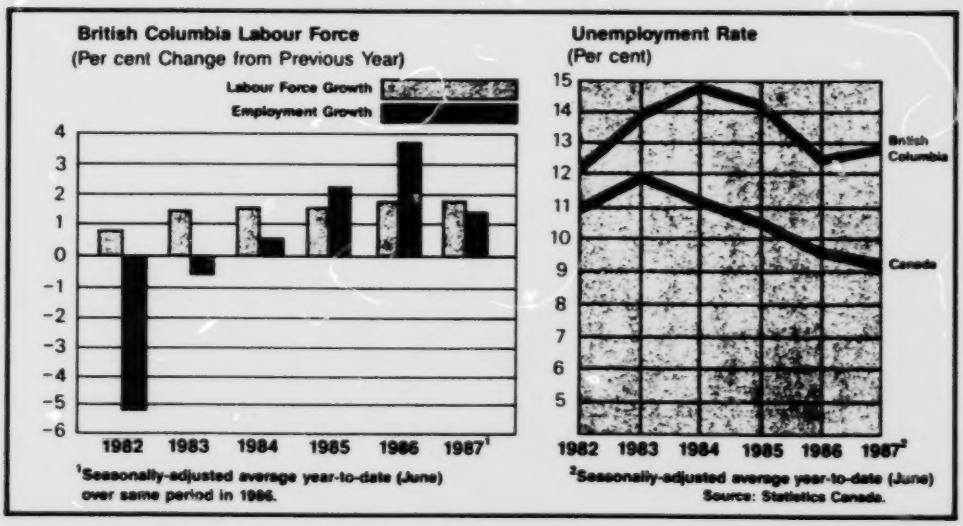
[1]Revised intentions.

Source: Statistics Canada.

Labour Force and Employment

Developments in the labour market during 1986 were largely a reflection of the stimulative effect of Expo. Average employment increased by 3.7 per cent in 1986, equivalent to 46,000 jobs, compared to a 2.2 per cent increase in 1985. Employment in the service sector grew 56,000, or 6.1 per cent, with the largest increases in the commercial services sector and the wholesale and retail trade sector. Employment in the goods sector, on the other hand, decreased by 10,000. The labour force grew by 1.8 per cent, up from the 1.5 per cent increase recorded in 1985. As a result, the average unemployment rate decreased to 12.6 per cent from the 14.2 per cent level recorded in 1985.

Chart 1.4 Labour Market



[1]Seasonally-adjusted average year-to-date (June) over same period in 1986.

[2]Seasonally-adjusted average year-to-date (June)

Source: Statistics Canada.

PART-TIME EMPLOYMENT IN BRITISH COLUMBIA, 1981 TO 1986

More people are working part-time than ever before, a trend with important economic and social implications. Between 1981 and 1986, part-time employment in British Columbia increased by 40,000 jobs, while full-time employment *decreased* by 36,000. (For Canada as a whole, part-time jobs increased by 323,000, and full-time jobs by 305,000.) For British Columbia the share of part-time employment in total employment rose from 15.4 per cent in 1981 to 18.5 per cent in 1986.

Part-time Employment by Sex and Age Group

Part-time employees, as defined by Statistics Canada, comprise all employees who work fewer than 20 hours per week, except those who consider themselves to be employed full-time. The "typical" part-timer is female, young and works in a service sector job. In 1986, 71 per cent of part-timers in British Columbia were females. The largest concentration of females employed part-time is in the 15 to 24 age group, which accounts for 30 per cent of female part-time employment. For males, part-time employment is even more concentrated in the 15 to 24 age group, accounting for 57 per cent of total male part-time employment. Most of those employed part-time in this age group are students.

Part-time Employment by Industry

The service sector accounted for 88 per cent of part-time employment in both 1981 and 1986, with the jobs concentrated in trade and community services, business services and personal services (together accounting for 78 per cent of part-time employment in 1986). One in five service-sector jobs are part-time, double the proportion for goods-sector jobs. Three quarters of the increase in part-time employment between 1981 and 1986 occurred in community, business and personal services. The personal nature of service delivery creates a need for more part-time workers than in goods-producing industries. For example, in the banking industry, staff levels are highest on Fridays and paydays, when branches are busiest.

Reasons for Part-time Employment

Part-time employment is often considered inferior to full-time employment because wages tend to be lower and there is less job security; full benefit packages are usually provided only to those working more than 30 hours per week. Part-time employment is beneficial for the employer, who saves benefit costs and gains flexibility in employment plans. Statistics Canada data show that part-time employment is typically of shorter duration: during 1986, 48 per cent of those working part-time had tenure of a year or less, compared to 24 per cent of those employed full-time.

Here, in order of importance, are the major reasons, cited by British Columbia employees in 1986, for taking part-time jobs:

1. lack of full-time work;
2. preference for part-time work;
3. attending school; and,
4. personal or family reasons.

Most of the increase in part-time employment between 1981 and 1986 occurred from 1981 to 1983, a period of recession. The proportion of part-timers who would have preferred full-time work if it had been available remains a minority but has increased rapidly, in both British Columbia and Canada (see table below). Nevertheless, most part-timers value such employment as it permits other activities such as attending school or raising a family. Even involuntary part-time work has the advantage of enabling employees to develop skills and contacts that increase their chances of finding full-time work.

REASONS FOR PART-TIME EMPLOYMENT

	— Share of part-time employment (%) —			
	British Columbia		Canada	
	1981	1986	1981	1986
Lack of full-time work	15.3	35.6	18.0	28.4
Prefer part-time work	38.8	30.5	35.6	32.0
Attending school	28.1	23.3	29.9	28.6
Personal/family reasons	13.3	8.9	12.3	9.1
Other	4.5	1.7	4.2	1.9
	100.0	100.0	100.0	100.0
Part-time employment (thousands)	196	236	1,487	1,810

In 1986, there were 102 work stoppages in the province, up from 88 in 1985, resulting in a loss of nearly three million worker-days, 65 per cent higher than the average of the previous five years. The forest industry was responsible for 2.1 million worker-days lost in 1986. During the year, 62 work stoppages occurred in the service sector and 40 in the goods-producing sector, accounting for 9 per cent and 91 per cent, respectively, of the worker-days lost.

Prices and Incomes

The Vancouver Consumer Price Index rose 3.3 per cent in 1986, compared to an increase of 3.2 per cent in 1985. The Victoria Consumer Price Index increased 1.9 per cent in 1986, the first year for which annual inflation rates are available. By comparison, inflation in Canada averaged 4.2 per cent in 1986 and 4.0 per cent in 1985. Vancouver's inflation rate has been below the national average for five consecutive years.

Personal income is estimated to have increased only 4.0 per cent in 1986, due to moderate wage increases. Wage settlements averaged 1.5 per cent in 1986.

Current Situation

A number of indicators show that the provincial economy has experienced continued improvement to date in 1987. Retail sales in the first six months of 1987 were up 8.3 per cent from the same period in 1986. Housing starts also showed strength with data for the first six months of 1987 indicating an increase of 23.8 per cent over 1986. Manufacturing shipments increased 5.6 per cent in the January to May period over the same period in 1986 due to strong growth in paper and allied industries.

Labour market conditions have also improved. Seasonally-adjusted employment rose 1.3 per cent in the first seven months, as compared to the same period in 1986. Provincial employment in January 1987 was 19,000 below its July 1986 peak but has since increased by 34,000 to a total of 1,296,000 in July. The unemployment rate was 12.4 per cent in July 1987 compared to 12.2 per cent in July of 1986. Wage settlements in the first six months of 1987 averaged 1.8 per cent, while the inflation rate averaged 3.1 per cent in Vancouver and 2.1 per cent in Victoria on an annual basis in the January to July period.

The return of inflationary fears has contributed to recent increases in world commodity prices. Metal prices have risen significantly in U.S. dollar terms. Gold prices during the first seven months of 1987 were 17.4 per cent higher than the 1986 average while silver prices rose 24.8 per cent during this period. Copper and lead have experienced price increases over the 1986 average of 9.4 per cent and 39.0 per cent, respectively, in the first seven months of the year.

Lumber prices have remained high due to the unusually high rates of residential construction activity in the United States early in the year and the continuing housing boom in Central Canada. United States housing starts have fallen in recent months due to a rebound in mortgage rates. Continued declines in this sector may result in falling lumber prices. Pulp producers have also been able to increase their prices in response to greater demand. The pulp list price has risen

from U.S.$520/tonne at the end of 1986 to the current U.S.$575/tonne. Pulp production increased 10.5 per cent in the first six months of the year over the same period in 1986.

Statistics Canada released data in July which indicate investment spending in British Columbia is expected to increase by 14.3 per cent in 1987, with substantial expenditure increases planned in the manufacturing, forestry and mining sectors.

Tourism indicators for the first six months of 1987 show a decline in entries of United States and overseas residents of 25.6 per cent relative to the same period in 1986 but show an increase of 12.2 per cent compared to 1985. The decrease from 1986 is due to the impact of Expo 86 on 1986 entries rather than to a change in the industry's long term prospects.

Both the United States and Japanese economies, the two most important export markets for British Columbia, showed strong growth in the first quarter of 1987. Second quarter data from the United States show a more moderate rate of growth, which is expected to continue in both countries for the remainder of the year.

Representatives of Canada and the United States continue negotiations to liberalize trade between the two countries. Although significant progress has been made, the nature and extent of the final accord remains uncertain. If agreement is reached by early October, a final agreement could be signed in 1988, with implementation beginning in 1989.

2

PROVINCIAL FINANCES

2. Provincial Finances

Summary

Revenue of $8,555.1 million for 1986 87 was 4.6 per cent higher than the previous year, while expenditure at $9,694.1 million increased 6.0 per cent.

The 1986 87 deficit of $1,139.0 million was $172.5 million higher than the previous year. The government's total direct financial requirements increased to $1,715.6 million due to an additional requirement of $576.6 million for financing and working capital transactions, largely due to transactions relating to the restructuring of Crown corporation investments and debt. Financial requirements were met through an increase of $1,602.4 million in net direct debt for government purposes and a decrease in the government's cash and temporary investments of $113.2 million.

Table 2.1
Combined Funds Summary of Financial Transactions

	Budget 1986 87	Preliminary Actual (Unaudited) 1986/87	Actual 1985 86
		($ millions)	
Financial Requirements			
Operating Transactions:			
Revenue	8,768.0	8,555.1	8,179.8
Expenditure[1]	9,643.0	9,694.1	9,146.3
Surplus (Deficit)	(875.0)	(1,139.0)	(966.5)
Financing and Working Capital Transactions:			
Net Receipts from (Disbursements for) Financing and Working Capital Transactions and Fiscal Agency Loans	14.0	(576.6)	105.7
Total Direct Financial Requirements	(861.0)	(1,715.6)	(860.8)
Financial Sources			
Net Direct Borrowing	1,290.5	2,015.3	1,235.7
Less: Funds Reloaned to Crown Corporations	490.5	412.9	514.5
Net Direct Borrowing for Government Purposes	800.0	1,602.4	721.2
Decrease in Cash and Temporary Investments	61.0	113.2	139.6
Total Direct Financial Sources	861.0	1,715.6	860.8

[1] Includes a Crown corporation valuation adjustment of $54,618,300 in 1985 86 and a negative adjustment of $85,572,000 in 1986 87

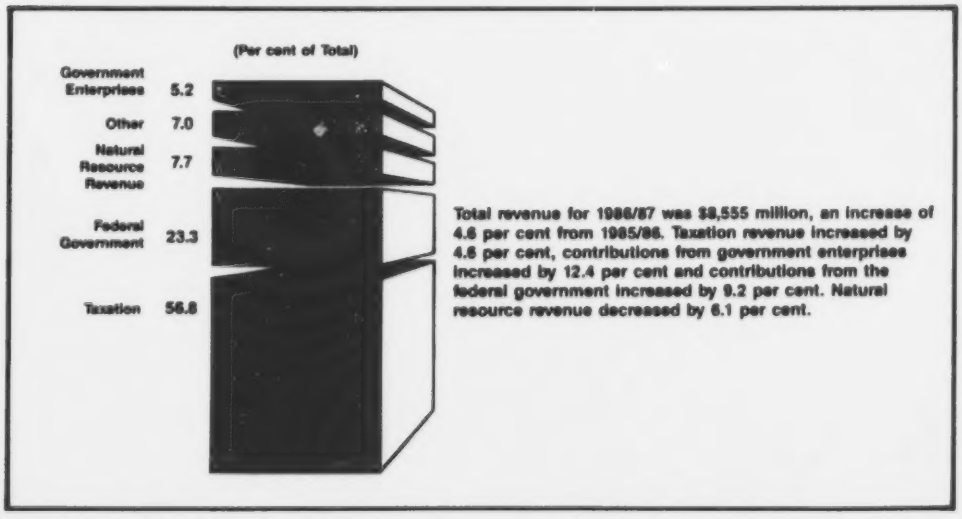
Revenue

For the fiscal year 1986/87, provincial government operating revenue of $8,555.1 million was $212.9 million below the original budget estimate (see Table 2.2).

Taxation revenue of $4,862.9 million was $325.1 million below the budget estimate, but 4.6 per cent higher than during 1985/86. Personal and corporation income taxes are collected for the provincial government by the federal government and revenue is paid to the province on the basis of federal estimates. Personal income tax revenue was $102.9 million below budget mainly as a result of lower-than-expected payments for the 1986 taxation year. Corporation income tax revenue was $125.4 million below budget and 13.3 per cent lower than 1985/86. The variance from budget was mainly the result of lower-than-expected payments for the 1986 taxation year and a larger-than-expected negative adjustment for prior years. Social service tax revenue was $82.2 million below budget but 6.1 per cent higher than the previous year. The variance from budget was associated with lower-than-expected retail sales and investment spending. (See Chapter 1.) Fuel tax revenue was $62.6 million below budget and 11.1 per cent below 1985/86 as a result of lower-than-expected tax rates on fuels. The rates are based on pre-tax retail prices, which declined due to low world oil prices. Other taxation revenue was $48.0 million above budget and 10.2 per cent higher than 1985/86 due to higher-than-expected corporation capital tax, hotel room tax and tobacco tax revenue.

Natural resource revenue of $656.6 million was $24.4 million below the budget estimate and 6.1 per cent lower than revenue for the previous year. Petroleum and natural gas revenue was $71.7 million below budget and 37.8 per cent lower than last year due to lower prices for oil and natural gas and lower revenue from bonus bids for oil and gas drilling rights. Forest revenue was $44.3 million above budget and up 27.8 per cent from the previous year, mainly due to higher-than-expected revenue from timber sales and $20.3 million in revenue from the new lumber export tax. Mineral revenue was $11.4 million below budget and down slightly from the previous year due to low coal and metals prices. Water rental revenue was $15.6 million above budget and 10.1 per cent higher than the previous year due to increased generation of electrical power in 1985.

Chart 2.1 Combined Funds Revenue by Source


(Per cent of Total)
Government Enterprises 5.2
Other 7.0
Natural Resource Revenue 7.7
Federal Government 23.3
Taxation 56.8
Total revenue for 1986/87 was $8,555 million, an increase of 4.6 per cent from 1985/86. Taxation revenue increased by 4.6 per cent, contributions from government enterprises increased by 12.4 per cent and contributions from the federal government increased by 9.2 per cent. Natural resource revenue decreased by 6.1 per cent.

Other revenue of $593.9 million was $16.9 million above budget, but 2.1 per cent less than in 1985/86. The variance from budget was primarily the result of higher-than-expected lottery revenue partially offset by lower-than-expected motor vehicle licences and permits revenue, Farm Income Assurance Fund premiums and interest from investments. A sale of saltwater ferry assets in 1985/86 and lower interest from investments in 1986/87 were the main reasons for the decrease in revenue from the previous year.

Table 2.2
Combined Funds Revenue by Source

	Budget 1986/87	Preliminary Actual (Unaudited) 1986/87	Actual 1985/86
	($ millions)		
Taxation Revenue:			
Personal income	2,351.0	2,248.1	2,073.1
Corporation income	406.0	280.6	323.5
Social service	1,623.0	1,540.8	1,451.8
Fuel	436.0	373.4	420.0
Other	372.0	420.0	381.0
	5,188.0	4,862.9	4,649.4
Natural Resource Revenue:			
Petroleum and natural gas	242.0	170.3	273.8
Minerals	67.0	55.6	57.2
Forests	140.0	184.3	144.2
Water	220.0	235.6	213.9
Other	12.0	10.8	10.5
	681.0	656.6	699.6
Other Revenue:			
Sales and services	240.0	285.3	221.8
Licences and permits	191.0	181.9	165.9
Interest from investments	76.0	53.2	84.3
Miscellaneous	70.0	73.5	134.8
	577.0	593.9	606.8
Contributions from Government Enterprises:			
Liquor Distribution Branch	420.0	424.8	398.4
Other	10.0	22.8	—
	430.0	447.6	398.4
Contributions from Federal Government:			
Established Programs Financing	1,134.0	1,205.3	1,091.3
Canada Assistance Plan	612.0	612.1	595.7
Other	146.0	176.7	138.6
	1,892.0	1,994.1	1,825.6
Total Operating Revenue	8,768.0	8,555.1	8,179.8

USER FEES

The government of British Columbia funds certain services through user fees rather than from general taxation, in common with the practice followed by other provinces and other levels of government.

For example, municipalities charge user fees for building permits, water supply, parking, use of arenas and other recreational facilities and sometimes for garbage collection. The province charges fees for use of provincial campsites, hunting and fishing permits and various commercial and regulatory services, including company and land registrations, safety inspections and motor vehicle licensing. At the federal level, fees are charged for agricultural seed testing, radio licensing, commercial weights and measures inspections and postal services.

The province administers more than 2,000 fees and licences, including royalties for the use of natural resources. These user fees account for approximately 15 per cent of total provincial government revenue, about $1.5 billion. In addition, there are a number of other user fees, such as medical services premiums and college tuition that are not considered government revenue.

Some fees have lagged behind inflation, transferring to the general public more and more of the cost of services that benefit particular people or institutions. Government is re-examining many of its user fees, guided by the following principles:

Fees for Subsidized Service

Some public services are provided for the general social and economic benefits of all British Columbians. Services such as health care, education, income assistance and justice are funded mainly through general taxation, but may be partially funded through user fees.

These user fees (such as college tuition) are charged to encourage responsible use, or to reflect potential economic benefits to the individual (such as a better paying job upon graduation). To prevent user fees from hampering access for specific users, such as non-profit organizations, the elderly, the disabled, or those with low incomes, the government often provides an additional subsidy (such as student aid).

Regulatory and Inspection Fees

Certain public services are directed to specific people or firms and are provided either at the request of these parties or because of their activities. Services such as regulation of companies and recording of real estate transfers ensure fair dealing and legitimacy among those regulated, as well as general consumer protection. Safety inspections, including pressure vessel, gas, electrical and elevator, ensure health and safety to owners, operators and the general public.

The government believes that protecting the public in these areas is a cost that should be charged against the commercial activities that create a need for government involvement.

Resource Fees

Services or goods involving the use of the province's natural resources or public infrastructure such as forestry, mining, commercial water use and fish and wildlife, generally provide benefits to users well in excess of the government's service costs. The government believes that users profiting from these resources should return to the province a fair share of the economic benefits received, regardless of government's direct costs in providing associated services.

Competitive Market Fees

In providing essential public services, government sometimes supplies other ancillary services that are of value to specific individuals or groups, and which may also be provided by the private sector. Services such as the publication of maps, economic and resource statistics, and reports on industrial, scientific or socio-economic research are generated in support of government programs but are also available to the public.

For these services, government usually charges fees in line with prevailing market rates established in the private sector.

Contributions from government enterprises of $447.6 million were $17.6 million above the budget estimate and up 12.4 per cent from 1985/86. Liquor Distribution Branch profits were $4.8 million above budget and 6.6 per cent higher than during the previous year due to increased sales associated with Expo 86. In addition, the provincial government received a $10.3 million dividend from the British Columbia Railway Company and unbudgeted dividends of $9.9 million and $2.6 million from the British Columbia Ferry Corporation and the British Columbia Buildings Corporation, respectively.

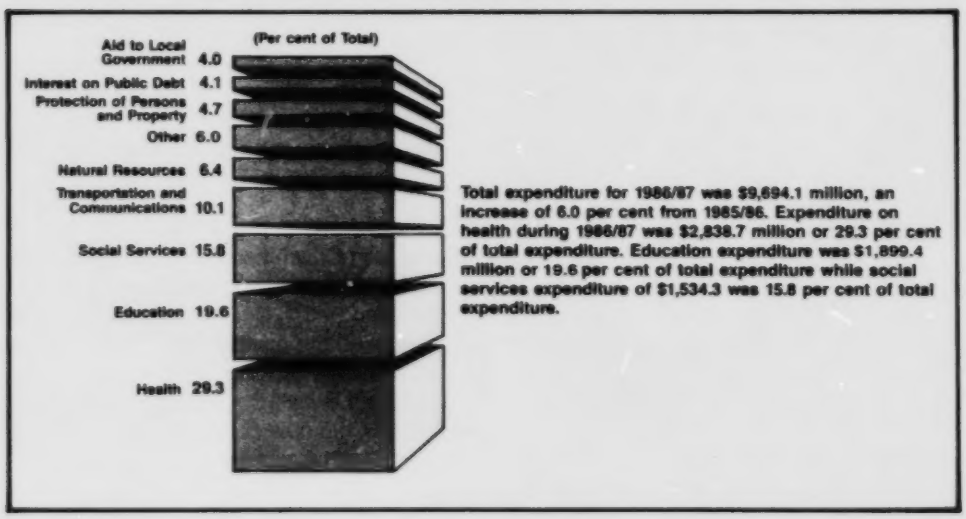
Contributions from the federal government of $1,994.1 million were $102.1 million above budget and 9.2 per cent higher than the previous year. The major variances include a $53 million payment for funds withheld in previous years by the federal government until British Columbia agreed to eliminate hospital user fees, and another $31 million relating to penalties for 1986/87. Variances also include a $22 million payment for Canada Assistance Plan prior-year adjustments and an $8 million payment to compensate for timber revenue lost as a result of the establishment of Pacific Rim National Park. These positive variances were partially offset by a $15 million negative prior-year adjustment of Established Programs Financing payments. (Also see Chapter 3.)

Expenditure

Provincial government expenditure during 1986/87 was $9,694.1 million, or $51.1 million above the original budget estimate. The main reasons were higher-than-expected spending on hospital programs, the Medical Services Plan and provision in 1986/87 for the complete retirement of Expo 86 debt.

Ministry of Agriculture and Fisheries expenditure of $71.9 million was $45.1 million below budget due mainly to lower-than-budgeted expenditure by the Farm Income Assurance Fund and low spending under the federal/provincial Agri-Food Regional Development Subsidiary Agreement.

Chart 2.2 Combined Funds Expenditure by Function


(Per cent of Total)
Aid to Local Government 4.0
Interest on Public Debt 4.1
Protection of Persons and Property 4.7
Other 6.0
Natural Resources 6.4
Transportation and Communications 10.1
Social Services 15.8
Education 19.6
Health 29.3
Total expenditure for 1986/87 was $9,694.1 million, an increase of 6.0 per cent from 1985/86. Expenditure on health during 1986/87 was $2,838.7 million or 29.3 per cent of total expenditure. Education expenditure was $1,899.4 million or 19.6 per cent of total expenditure while social services expenditure of $1,534.3 was 15.8 per cent of total expenditure.

Ministry of Attorney General expenditure of $417.1 million was $28.0 million above budget. A grant of $15.2 million to the British Columbia Steamship Company for the purchase of a ferry formerly held by the British Columbia Ferry Corporation is the main source of variance. Court Services and legal services also contributed to the over-expenditure.

The Ministry of Finance and Corporate Relations spent $19.8 million more than budgeted, mainly because of a $15.7 million write-off of a provincially guaranteed sinking fund investment in the Canadian Commercial Bank.

Ministry of Forests and Lands expenditure of $346.6 million was $20.0 million below the budget estimate. This was primarily the result of lower-than-expected forest fire suppression costs resulting from a relatively mild fire season, and slower spending than expected from the Forest Stand Management Fund.

Ministry of Health expenditure of $2,860.1 million was $105.6 million above budget, and 8.7 per cent higher than expenditure during the previous year. Over-expenditure for the Medical Services Plan and for hospital programs due to wage and fee settlements for health care workers and utilization increases accounted for most of the variance from budget.

Ministry of Provincial Secretary and Government Services expenditure of $74.9 million was $15.5 million above the original budget estimate but down 1.2 per cent from the previous year. Provincial election expenses of $9.9 million were the main cause of the variance from budget.

Interest on public debt of $393.9 million was $64.0 million below budget but up significantly from the previous year. The favourable variance from budget was primarily the result of lower and later borrowing at lower interest rates than originally expected.

Expenditure by the Lottery Fund of $289.5 million was $179.4 million above the budget estimate as a result of the accelerated retirement of Expo 86 debt in 1986/87. The Lottery Fund provided $231.3 million towards the retirement of Expo 86 debt in 1986/87, including an amount due but not paid out at March 31, 1987. As a result, there will be no further charge to government expenditure in relation to the Expo 86 deficit after March 31, 1987.

The revaluation of certain investments in Crown corporations reduced the government's net deficit for 1986/87 by $85.6 million. The restructuring of British Columbia Development Corporation and British Columbia Place into British Columbia Enterprise Corporation required the government to acquire $396.8 million in debt from the merged corporations. A further $205.0 million in debt was directly acquired by the government from British Columbia Buildings Corporation. This debt had been incurred by British Columbia Buildings Corporation to provide the funds for its equity investment in British Columbia Place (now British Columbia Enterprise Corporation).

Table 2.3
Combined Funds Expenditure by Ministry[1]

	Budget 1986/87	Preliminary Actual (Unaudited) 1986/87	Actual 1985/86
	($ millions)		
Legislation	10.9	11.5	9.9
Auditor General	4.4	4.1	3.9
Ombudsman	2.4	2.3	2.3
Office of the Premier	2.4	2.2	2.0
Advanced Education and Job Training	739.3	733.2	690.7
Agriculture and Fisheries	117.0	71.9	94.8
Attorney General	389.1	417.1	375.2
Economic Development	93.5	52.7	41.8
Education	1,228.0	1,232.2	1,111.4
Energy, Mines and Petroleum Resources	35.6	32.7	23.1
Environment and Parks	130.9	126.4	120.0
Finance and Corporate Relations	64.1	83.9	70.0
Forests and Lands	366.6	346.6	368.6
Health	2,754.5	2,860.1	2,631.3
Intergovernmental Relations	3.9	3.1	3.2
Labour and Consumer Services	21.5	21.2	22.0
Municipal Affairs	413.4	405.8	310.5
Provincial Secretary and Government Services	59.4	74.9	75.8
Social Services and Housing	1,511.6	1,507.0	1,499.4
Tourism, Recreation and Culture	46.7	47.7	36.5
Transportation and Highways	993.1	994.5	1,116.6
Other Appropriations:			
Management of the Public Debt	457.9	393.9	334.5
Contingencies	50.0	30.5	18.8
Critical Industries Commission	0.5	0.3	0.2
Crown Land Account	36.2	34.4	46.0
Lottery	110.1	289.5	83.2
Revaluation of Crown Corporations	—	(85.6)	54.6
Total Operating Expenditure	9,643.0	9,694.1	9,146.3

[1] Ministry organization shown is organization in effect on March 31, 1987. Total combined funds expenditure is unaffected by restating ministry expenditure

The government's investments in Crown corporations were increased by the value of its equity in British Columbia Enterprise Corporation, amounting to $299.8 million, and its equity in British Columbia Pavilion Corporation of $157.0 million.

A further adjustment to the government's investments in Crown corporations was made through an upward revision of $230.6 million in the value of the investment in British Columbia Railway Company. This increase in 1986/87 recognizes that the recent years of profitability of the Railway enable the government to restore to its balance sheet the equity investment previously written off in 1980 and 1982 in response to the Railway's losses prior to that time.

The net result of these adjustments to Crown corporation investments, excluding the accelerated retirement of Expo 86 debt, is to reduce the 1986/87 deficit by $85.6 million. Investments in Crown corporations are increased by $687.4 million and the government's direct debt is increased by $601.8 million.

Financial Requirements

The government's financial requirements for the 1986/87 fiscal year totalled $1,715.6 million, $854.6 million more than the original budget estimate (see Table 2.1). Higher-than-expected financial requirements reflected a deficit $264.0 million above budget and financing and working capital disbursements which were $590.6 million above budget due largely to the restructuring of Crown corporation investments and debt.

Financial Sources

The government met its financial requirements through reductions in cash and temporary investments of $113.2 million and an increase in public debt issued for government purposes of $1,602.4 million. An additional $412.9 million in long- and short-term funds was borrowed by the government for relending to Crown corporations through fiscal agency loans.

The change in public debt outstanding in 1986/87 consisted of:

- $300.0 million from two Euro-Canadian public market issues;
- $390.2 million from two Canadian public market issues;
- $672.7 million from ten private placements; and
- an increase in short-term promissory notes outstanding of $188.6 million including amounts acquired from the British Columbia Development Corporation, British Columbia Place and the British Columbia Buildings Corporation.

Long-term debt was also increased by a net amount of $216.0 million, representing the long-term portion of debt directly acquired as a result of the restructuring of certain Crown corporations.

Increases in sinking fund balances of $48.8 million, which includes sinking funds assumed from the British Columbia Development Corporation, British Columbia Place and the British Columbia Buildings Corporation, and debenture repayments, foreign exchange adjustments, and discount amortization adjustments of $116.3 million, reduced the government's total outstanding direct debt.

Provincial Government Net Equity (Net Deficiency)

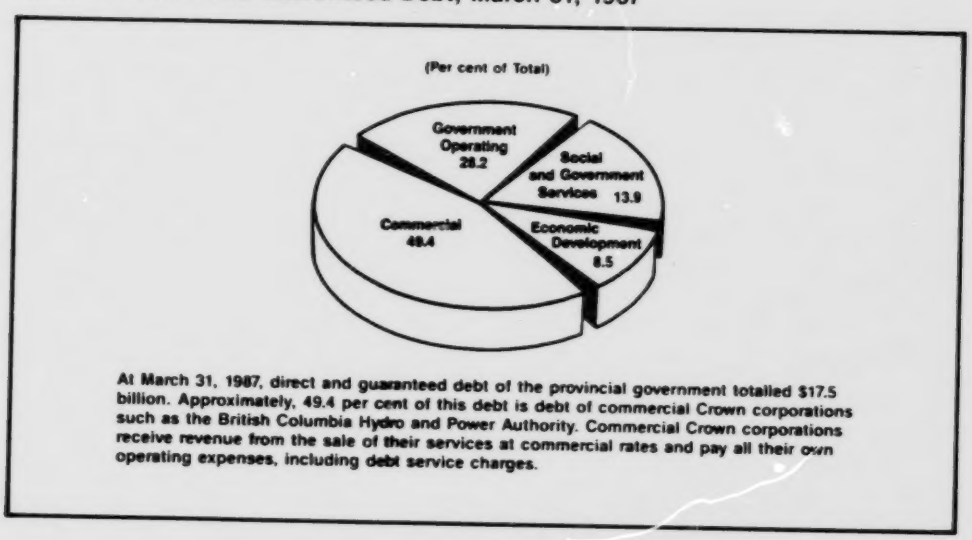
As a result of the 1986/87 deficit of $1,139.0 million, the net deficiency (excess of financial liabilities over financial assets) of the Consolidated Revenue Fund increased to $3,690.8 million at March 31, 1987.

Government Debt

The provincial government issues public debt for government purposes, as needed, to finance its operations. From 1951/52 until 1981/82, with only one exception, the provincial government financed all operating and capital expenditure from current revenue and accumulated surpluses. Commencing in

1982/83, operating deficits have been funded through short- and long-term borrowing in public and private markets in Canada and abroad. At March 31, 1987, provincial government net public debt outstanding (excluding funds borrowed and reloaned to Crown corporations and including accrued interest) was $4,937.1 million.

Chart 2.3 Direct and Guaranteed Debt, March 31, 1987



At March 31, 1987, direct and guaranteed debt of the provincial government totalled $17.5 billion. Approximately, 49.4 per cent of this debt is debt of commercial Crown corporations such as the British Columbia Hydro and Power Authority. Commercial Crown corporations receive revenue from the sale of their services at commercial rates and pay all their own operating expenses, including debt service charges.

Central Borrowing Function

Provincial government and Crown corporation debt totalled $17.5 billion at March 31, 1987. The size and complexity of provincial government and Crown corporation financing activities requires a borrowing program that is carefully structured and coordinated to ensure the most favourable terms in financial markets. To help meet this objective, a program of direct borrowing by the government for relending to Crown corporations was implemented in 1983 under amendments to the *Financial Administration Act*. This program of fiscal agency borrowing by the government provides lower cost financing to Crown corporations because of the government's strong credit rating and reputation in financial markets and because a single borrower offering larger debt issues typically is able to borrow at lower rates. At March 31, 1987, fiscal agency debt of the government (including accrued interest) totalled $2,280.2 million.

Guaranteed Debt and Fiscal Agency Loans

Prior to the introduction of fiscal agency borrowing, most capital expenditure by Crown corporations and public bodies in British Columbia (other than municipalities) was financed through debt issued by individual Crown corporations and guaranteed by the provincial government with respect to principal, premium if any, and interest payments. At March 31, 1987, net debt of Crown corporations and other public bodies, guaranteed by the provincial government (including accrued interest) was $10,299.9 million.

When fiscal agency loans are included, the provincial government's net outstanding direct and guaranteed debt in respect of Crown corporations, local government and certain small enterprises, net of sinking funds, and excluding debt held as investments by the Consolidated Revenue Fund, was $12.6 billion at March 31, 1987, down 9.1 per cent from March 31, 1986. (See Appendix Tables 7.12 and 7.14.)

There are three categories of Crown corporations that have received provincial government loan guarantees and fiscal agency loans. Commercial Crown corporations, which are comprised of British Columbia Hydro and Power Authority, British Columbia Petroleum Corporation and British Columbia Railway Company, generate revenue from the sale of services at commercial rates and pay their own operating expenses, including debt service charges. At March 31, 1987, commercial Crown corporations had net guaranteed debt and fiscal agency debt of $8.7 billion, or 68.8 per cent of the total Crown corporation debt. British Columbia Hydro and Power Authority is the major borrower in this category.

Economic development Crown corporations include British Columbia Ferry Corporation, British Columbia Enterprise Corporation, and British Columbia Transit. These corporations are generally operated as commercial Crown corporations. They may, however, undertake projects which provide economic benefits to the province but which do not generate a sufficient financial return to service debt. In these cases, the provincial government may provide grants or other forms of assistance. At March 31, 1987, economic development Crown corporations had net guaranteed debt and fiscal agency debt of $1.5 billion, or 11.9 per cent of all Crown corporation debt.

The remaining portion of guaranteed debt and fiscal agency loans has been used for financing social capital and government services projects. Construction of schools, hospitals, educational institutions and government facilities is financed through borrowing, with the cost generally amortized over a period of 20 years. Debt servicing requirements are met through grants or rental payments from the provincial government and, in the case of schools and hospitals, partly from local property levies. At March 31, 1987, guaranteed debt and fiscal agency loans outstanding in respect of social capital and government services was $2.4 billion, or 19.3 per cent of total guaranteed debt and fiscal agency debt.

Debt Servicing

The government of British Columbia provides grants for the servicing of debt by certain non-commercial Crown corporations. During 1986/87 the provincial government contributed $109.6 million to school districts, $71.3 million to regional hospital districts and $81.4 million to post secondary educational institutions.

Sinking Funds

Sinking funds are currently established for all long-term debt, including funds borrowed from the Canada Pension Plan Investment Fund. At March 31, 1987, sinking fund balances totalled $2,734.1 million for guaranteed debt, $26.2 million for fiscal agency debt and $89.6 million for provincial government direct debt. In recent years the value of some of the sinking funds has reached or exceeded the amount of the corresponding debt issue in advance of the repayment date. In

these cases, under legislative amendments enacted in 1981, payments into the sinking funds can be discontinued if certain conditions are met.

Credit Rating

Canadian Bond Rating Service, a Canadian security rating agency, has rated the direct and guaranteed debt of the provincial government at its second highest level of AA. Dominion Bond Rating Service, another Canadian rating agency, rates the provincial government's long-term liabilities at AA (low) and its short-term obligations at R-1 (middle). Moody's Investors Service, a major United States security rating agency, rates British Columbia Hydro and Power Authority's long-term debt at AA2. Standard and Poor's Corporation, another major United States rating agency, rates Hydro's debt and certain provincial government debt obligations at AA. These same United States agencies have rated the provincial government's United States commercial paper at the highest levels of P1 and A1 +, respectively.

Crown Corporation Borrowing

During 1986/87, long-term borrowing of British Columbia Crown corporations was $431.0 million. This included long-term borrowing undertaken by Crown corporations with a provincial government guarantee totalling $102.0 million and long-term borrowing of $329.0 million undertaken directly by the provincial government and reloaned to the Crown corporations under fiscal agency agreements (see Appendix Table 7.13). In addition, Crown corporation net new short-term debt of $22.1 million was incurred, all of which was in fiscal agency loans.

The major Crown corporation borrowers during 1986/87 were:

- British Columbia Transit, which borrowed $97.2 million in long-term funds but reduced its short-term debt outstanding by $15.8 million;
- British Columbia Hydro and Power Authority, which borrowed $114.4 million in long-term funds and $359.4 million in short-term funds;

Several Crown corporations reduced their outstanding debt during 1986/87. They include:

- Expo 86 Corporation, which reduced its short-term debt outstanding by $177.0 million;
- British Columbia Development Corporation, which reduced its short-term debt outstanding by $96.0 million; and,
- British Columbia Place, which reduced its short-term debt outstanding by $66.1 million.

Of the total amount of Crown corporation long and short-term borrowing, $226.1 million (49.9 per cent) was raised through the Canada Pension Plan Investment Fund, $91.1 million (20.1 per cent) was raised through private placements, $109.8 million (24.2 per cent)was raised through public issues, $22.1 million (4.9 per cent) was raised through commercial paper and the balance of $4.0 million (0.9 per cent) was borrowed from provincial trusteed funds.

Trust Funds

Trust funds are administered by the government for third parties, but are not part of the provincial government's Consolidated Revenue Fund. At March 31, 1987, trust funds under administration totalled $14,471.8 million. The four distinct components of trust funds are as follows.

- Trust, or custodial, deposits include the accident fund of the Workers' Compensation Board, amounting to $2,546.6 million, and funds of individuals and intestates held by the government under various statutes. At March 31, 1987, the total amount of trust deposits was $2,898.7 million.
- Sinking funds are set up by Crown corporations and other public bodies to provide for the orderly retirement of maturing long-term debt. At March 31, 1987, these funds totalled $2,716.7 million.
- Superannuation and pension funds have been established to administer contributory pension plans for public sector employees. These funds totalled $8,387.4 million at March 31, 1987.
- Other managed trust funds totalled $469.0 million at March 31, 1987. These are mainly trust funds established with investments formerly held by sinking funds that reached the value of the corresponding debt issues.

Trust deposits are invested mainly in the short-term money market, with the exception of the accident fund of the Workers' Compensation Board. The other trust funds are invested to meet long-term liabilities. Until 1980, the funds were placed almost exclusively in long-term investments, mainly bond issues of provincial Crown corporations. From 1980 to mid-1982, almost all cash which became available in these funds was invested in short-term investments. Due to high interest rates which prevailed during that period, the earnings of the funds increased significantly. Since mid-1982, the asset mix between money market instruments and longer-term government direct and guaranteed securities has been continually adjusted to take advantage of the expected direction of interest rates. The current target, which is being attained, reflects a 30/70 short-term/ long-term mix. This policy brings relatively high returns with minimum risk.

Trust funds may be placed in investments permitted under the *Trustee Act*, as well as in short-term and government-guaranteed securities permitted for the Consolidated Revenue Fund. Investment in mortgages, common stock and corporate bonds is permitted, but has not yet been undertaken.

Provincial Taxes

The provincial government has the constitutional power to levy direct taxes within the province to raise money for provincial purposes. Appendix 2 provides information about various taxes in British Columbia and about tax changes made in the 1986 and 1987 budgets.

Income Tax Rates

The British Columbia personal income tax rate is 51.5 per cent of basic federal tax. This means that a British Columbia taxpayer is required to remit $51.50 in income tax to the provincial government for every $100 of federal income tax. Calculated as a per cent of total income, a wage earner, with an annual income of $35,000, a dependent spouse and two dependent children, would pay provincial income tax of approximately 6 per cent of total income.

The corporation income tax rate for corporations not qualifying as small businesses is 15 per cent of taxable income earned in the province. The rate will be reduced to 14 per cent effective January 1, 1988. For corporations qualifying as small businesses, the rate is 11 per cent for taxation years ending after July 1, 1987. The previous small business rate was eight per cent.

Other Tax Rates

The general tax rate on purchases of tangible personal property imposed under the *Social Service Tax Act* is six per cent. Appendix Table 2.3 provides a list of purchases which are exempt from tax.

The tax rate on hotel accommodation is eight per cent. Accommodation priced at $10 or less per night is exempt from tax. Municipalities, regional districts and other eligible entities may request the provincial government to levy an additional tax of up to two per cent on their behalf. The revenue from the additional tax must be used to fund specified tourism-related facilities.

The corporation capital tax is applied to taxable paid-up capital at a rate of two per cent for chartered banks and trust companies with capital in excess of $500 million. These corporations may deduct British Columbia income tax paid from their corporation capital tax liability.

Fuel tax rates (except for marine bunker fuel and natural gas used in stationary engines) are adjusted every three months in proportion to the gasoline sub-component of the Vancouver Consumer Price Index. The tax rate on clear unleaded gasoline is approximately 20 per cent of the retail price before tax (7.49 cents/litre at July 1, 1987). The tax on clear leaded gasoline is equal to the unleaded rate plus 2 cents/litre. Tax rates on most other fuels are seven per cent of the pre-tax price of clear gasoline. The tax on marine bunker fuel and natural gas used in stationary engines is seven per cent of its pre-tax retail price. Compressed natural gas and propane used to propel motor vehicles are exempt from provincial fuel tax in order to promote use of these efficient and clean-burning fuels. Handicapped drivers are eligible for a 100 per cent rebate of gasoline tax.

A tax is charged on the purchaser of real property. The tax rate is one per cent on the first $200,000 of value transferred and two per cent of value in excess of $200,000.

The tax rates for cigarettes and other tobacco products are adjusted on March 1 and September 1 of each year and were approximately 3.88 cents/cigarette and 40 cents per ounce of tobacco at July 1, 1987.

Other provincial taxes, including horse racing tax, insurance premium tax, real property tax, logging tax, mining tax, mineral land tax and mineral resource tax, are described in Appendix Table 2.3. Appendix Table 2.2 provides an interprovincial comparison of tax rates.

GOVERNMENT REORGANIZATION

In 1986 and early 1987, there were three major reorganizations of the government of British Columbia, on the following dates: August 14, 1986, November 6, 1986; and April 1, 1987.

These reorganizations have begun a continuing process to make government as efficient and as effective as possible. The 1986/87 reorganizations reduced overlap and consolidated functions among ministries.

The changes to ministries' responsibilities, including some minor adjustments made at the beginning of 1987/88, are summarized below:

BEFORE REORGANIZATION	AFTER REORGANIZATION
Office of the Premier — Executive, administration and support	**Office of the Premier** — Executive, administration and support — Cabinet Secretariat — Legislative Support Services — Government Information Services — Federal Provincial/International Relations
SOCIAL SERVICES	
Ministry of Attorney General — Ministry Operations (includes police, court and legal services) — Judiciary — Corrections — Fire Commissioner — Native Affairs	**Ministry of Attorney General** — Ministry Operations (includes police, court and legal services) — Judiciary — Corrections — Emergency Assistance — Provincial Emergency Program — Public Gaming Control Program
Ministry of Health — Management Operations — Medical Services Commission — Preventive and Community Care Services — Institutional Services	**Ministry of Health** — Management Operations — Medical Services Commission — Preventive and Community Care Services — Institutional Services — Pharmacare
Ministry of Human Resources — Ministry Operations (includes GAIN program, rehabilitation services, and services for families, children and seniors) — Pharmacare	**Ministry of Social Services and Housing** — Ministry Operations (includes GAIN program, rehabilitation services, and services for families, children and seniors) — Housing programs
Ministry of Labour — Ministry Operations (includes labour relations, Workers' Compensation Review Board and Compensation Advisory Services) — B.C. Council of Human Rights — Safety Engineering Services — Apprenticeship and employment training, student employment and manpower advisory services — Women's programs and youth council	**Ministry of Labour and Consumer Services** — Ministry Operations (includes labour relations, Workers' Compensation Review Board and Compensation Advisory Services) — B.C. Council of Human Rights — Consumer services (includes residential tenancy, consumer credit and debtor assistance, motor dealer licensing and travel services) — Liquor Control and Licensing — Liquor Distribution Branch
Ministry of Post-Secondary Education — Ministry Operations (includes universities, colleges and institutes; correspondence education program; and special education initiatives)	**Ministry of Advanced Education and Job Training** — Ministry Operations (includes universities, colleges and institutes; correspondence education program; and special education initiatives) — Women's programs and youth council — Apprenticeship and employment training, student employment, labour market and manpower advisory services — Science and technology programs
ECONOMIC DEVELOPMENT	
Ministry of Agriculture and Food — Ministry Operations (includes agricultural market and food industry development; field operations; and financial assistance programs) — Milk Board and Agricultural Land Commission	**Ministry of Agriculture and Fisheries** — Ministry Operations (includes agricultural market and food industry development; field operations; and financial assistance programs) — Milk Board and Agricultural Land Commission — Non-recreational fisheries programs
Ministry of Environment — Resource and Environmental Management (includes management programs in air, recreational fisheries, waste, water and wildlife areas) — Non-recreational fisheries programs — Provincial Emergency Program — Emergency Assistance	**Ministry of Environment and Parks** — Resource and Environmental Management (includes management programs in air, recreational fisheries, waste, water and wildlife areas) — Provincial parks administration
Ministry of Forests — Forest and Range Management (includes harvesting, silviculture, research, forest protection, range and recreation) — Fire suppression	**Ministry of Forests and Lands** — Ministry Operations (includes harvesting, silviculture, research, forest protection, range and recreation) — Fire suppression — Lands programs

Ministry of Industry and Small Business Development — Ministry Operations (includes economics, statistics and business development)	**Ministry of Economic Development** — Ministry Operations (includes economics, statistics and business development) — Trade and industrial development — Foreign trade offices — Foreign tourism offices — Purchasing Commission
Ministry of International Trade, Science and Investment — Science and technology programs — Trade and industrial development — Foreign trade offices — Government communications	(ministry eliminated)
Ministry of Lands, Parks and Housing — Housing programs — Provincial parks administration — Lands programs — University Endowment Lands	(ministry eliminated)
Ministry of Municipal Affairs — Ministry Operations (includes municipal government support services)	**Ministry of Municipal Affairs** — Ministry Operations (includes municipal government support services) — Fire Commissioner — Transit Services — Safety Engineering Services — University Endowment Lands
Ministry of Tourism — Ministry Operations (includes marketing and development) — Foreign tourism offices	**Ministry of Tourism, Recreation and Culture** — Ministry Operations (includes marketing and development) — Cultural services, recreation and sport, heritage conservation and library services
Ministry of Transportation and Highways — Administration and support — Highway Operations (includes highway capital maintenance and construction) — Motor vehicles — Transportation policy — Government air services	**Ministry of Transportation and Highways** — Administration and support — Ministry Operations (includes highway capital maintenance and construction) — Motor vehicles — Transportation policy
GOVERNMENT SERVICES	
Ministry of Consumer and Corporate Affairs — Consumer services (includes tenancy, consumer credit and debtor assistance, motor dealer licensing and travel services) — Liquor Control and Licensing — Corporate relations (includes corporate, central and mobile home registries; brokers, insurance and real estate; and credit unions and trust companies) — Liquor Distribution Branch	(ministry eliminated)
Ministry of Finance — Ministry Operations (includes Administration and Support Services, Treasury Board Staff, Office of the Comptroller General, Provincial Treasury and Revenue Operations) — Compensation Stabilization Program — Purchasing Commission — Government Agents	**Ministry of Finance and Corporate Relations** — Ministry Operations (includes Administration and Support Services, Treasury Board Staff, Office of the Comptroller General, Provincial Treasury and Revenue Operations) — Compensation Stabilization Program — Corporate Relations (includes corporate, central and mobile home registries; brokers, insurance and real estate; and credit unions and trust companies)
Ministry of Intergovernmental Relations — Ministry Operations — Cabinet Secretariat — Visits and conferences — Federal Provincial/International Relations	**Ministry of Intergovernmental Relations** — Ministry Operations — Native affairs — First Citizens' Fund — Government Personnel Services Division
Ministry of Provincial Secretary and Government Services — Ministry Operations (includes Provincial Secretary and Government Services) — Government Information Services — Pensions and employee benefits — Legislative Support Services — Public Gaming Control Program — Cultural services, recreation and sport, heritage conservation and library services — First Citizens' Fund — Government Personnel Services Division	**Ministry of Provincial Secretary and Government Services** — Ministry Operations (includes Provincial Secretary and Government Services) — Pensions and employee benefits — Government communications — Government air services — Government Agents — Visits and conferences

Legislation of Financial Significance

The following legislation was enacted by the Legislature during the 1987 spring session.

- The *Social Service Tax Amendment Act, 1987*, reduces the tax rate from seven per cent to six per cent effective March 20, 1987, eliminates the tax on restaurant meals and provides various new tax exemptions.

- The *Hotel Room Tax Amendment Act, 1987*, increases the tax rate from seven per cent to eight per cent effective March 20, 1987 and, at the request of local governments, allows the province to levy an additional two per cent on their behalf, to be used to fund new tourism-related facilities.

- The *Motor Fuel Tax Amendment Act, 1987*, increases the tax on leaded fuel by 2.0 cents/litre to eliminate the difference between the price of leaded and unleaded fuel, reduces the tax on gasohol by 2.0 cents/litre and increases the transit levy by 0.95 cents/litre to 2.5 cents/litre. Revenue from the transit levy is paid to the Vancouver Regional Transit Commission to cover a portion of the deficit incurred on local transit services.

- The *Property Purchase Tax Act* establishes a tax on the purchase of real property effective March 23, 1987, at a rate of one per cent on the first $200,000 of value transferred and two per cent on value in excess of $200,000. This tax replaces *ad valorem* land registration fees.

- The *Assessment and Property Taxation Amendment Act, 1987*, clarifies the scope of pollution control exemptions, re-establishes the taxation of water lots, and more clearly states what constitutes a physical change for assessment purposes.

- The *Home Owner Grant Amendment Act, 1987*, increases the minimum property tax from $200 to $350 for those receiving the basic ($380) Home Owner Grant and from $1 to $100 for those receiving the supplementary ($630) Home Owner Grant, effective for the 1987 taxation year.

- The *Income Tax Amendment Act, 1987*, eliminates personal income surtaxes and increases the personal tax rate to 51.5 per cent of basic federal tax. To maintain integration between the personal and corporate income tax rates, the *Act* also increases the small business corporate tax rate from eight per cent to 11 per cent. Both of these measures are effective for the 1987 taxation year.

- The *Insurance Premium Tax Amendment Act, 1987*, repeals the tax exemption for insurance companies headquartered in British Columbia.

- The *Insurance (Motor Vehicle) Amendment Act* eliminates the current exemption for the Insurance Corporation of British Columbia from the insurance premium tax, effective April 1, 1987.

- Due to earlier changes, only banks with paid-up capital in excess of $500 million would have been subject to corporation capital tax after March 31, 1987. The *Corporation Capital Tax Amendment Act, 1987* extends the tax to all large banks and trust companies, effective April 1, 1987, and introduces a deduction for provincial corporation income tax against corporation capital tax otherwise payable.

3

INTERGOVERNMENTAL RELATIONS

3. Intergovernmental Relations

International Relations

The major international event of 1986 in Canada was Expo 86, the world fair in Vancouver. The Official Visitors Program encouraged the attendance of statesmen, prominent business people and other world leaders who might contribute to the long range economic development of the province. The program welcomed more than 2,000 Official Visitors from 99 countries, including members of Royal Houses and Heads of State. The highlight was the opening of the fair by Their Highnesses, the Prince and Princess of Wales.

A separate Business Visitors Program arranged the visits of over 9,000 business people, who signed a number of contracts during the period of the fair.

In January 1987, Premier William N. Vander Zalm travelled to Washington State and California to meet with the Governors of those States and with business leaders. In the same month, the Premier travelled to New York and Washington, D.C. In February he travelled to the United Kingdom, the Netherlands and West Germany, and in March, he returned to California to renew economic and political contacts.

Federal/Provincial Relations

The government of British Columbia continued to support the Canada/United States freer trade negotiations.

In November 1986, British Columbia hosted the annual First Ministers' Conference on the economy and in May 1987, the Premier travelled to Humboldt, Saskatchewan, to attend the Western Premiers' Conference.

A First Ministers' Conference on Aboriginal Constitutional Matters in March 1987 ended in deadlock. However, the Constitutional Conference two months later at Meech Lake was more successful, resulting in important constitutional reforms which led to Quebec signing a Constitutional accord. These amendments were signed by First Ministers on June 3, 1987.

In recognition of this increased level of activity and as part of an effort to ensure that British Columbia receives its "fair share" from Confederation, the government has taken steps to improve its capability in federal-provincial relations. The Premier and Prime Minister agreed to establish a British Columbia/federal Council of Ministers, co-chaired by the British Columbia Minister of

Intergovernmental Relations and the Deputy Prime Minister. This body will deal promptly and effectively with issues of common concern. Also, British Columbia House in Ottawa has been expanded.

Federal/Provincial Fiscal Arrangements

The major fiscal arrangements between the federal government and the provincial government are embodied in the *Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977.*

This act provides for federal transfers to provincial governments for insured health services, extended health care and post-secondary education. The act also provides for a fiscal stabilization program, an equalization program and tax collection agreements between the federal government and participating provinces.

Established Programs Financing

In 1977, the Established Programs Financing (EPF) mechanism replaced cost-sharing of hospital insurance, medical care and post-secondary education with a combination of transferred personal and corporation income tax points and federal cash payments to the provinces. The federal government also makes per capita cash payments for extended health care programs. Originally, the transfers were increased according to the growth in Canadian gross national product per capita and the growth of provincial population. The transfer is largely unconditional, with the exception of a requirement to adhere to five basic principles of health care.

British Columbia's cash entitlement was $1,167 million in 1986/87. In addition, the province received a refund of $53 million which had been withheld in previous years under the *Canada Health Act* because British Columbia levied hospital user fees. Another $31 million, relating to penalties for 1986/87, had also been withheld, and was returned with the prior-year refund. The fees were eliminated on March 31, 1987; the result was a total 1986/87 EPF contribution of $1,220 million.

EPF Funding Reductions

In recent years the federal government has modified the EPF program several times to reduce its contributions to the provinces. In 1982, the formula was amended to reduce cash transfers for 1982/83 and subsequent years, and beginning in 1983/84, the federal government applied the 6 and 5 restraint policy to the post-secondary education component of the EPF transfer. Beginning in 1986/87 the federal government reduced the per capita rate of growth in the EPF transfer by 2 percentage points annually. The estimated effect of all the modifications will be to reduce the 1987/88 contribution by $253 million.

Fiscal Stabilization Program

Under the fiscal stabilization program a province that suffers an absolute decline in revenues from one year to the next may apply for a payment in compensation. British Columbia made the first claim under this program in respect of the 1982/83 fiscal year, and ultimately received $174 million.

Equalization

The equalization program helps provinces with lower revenue-raising ability to provide a reasonable standard of public services without unduly high tax rates. Under the program, each province's revenue-raising capacity is measured against the average of five representative provinces. British Columbia does not qualify for equalization payments from the federal government.

Tax Collection Agreements

Provinces may levy income taxes and, through tax agreements, the federal government may collect personal and corporation income taxes on behalf of a province. As a result, each tax filer is required to file only one tax return. Nine provinces participate in respect of personal income tax and seven in respect of corporation income tax. Quebec does not participate in the agreements for either corporation or personal income taxes, while Ontario and Alberta collect their own corporation income tax. Under the agreement between Canada and British Columbia, the province must adopt income tax legislation and regulations similar to those of the federal government.

Canada Assistance Plan

The other major federal/provincial financial agreement is the Canada Assistance Plan (CAP), through which the federal government makes payments to the provincial government, on a cost-shared basis, for eligible expenditures on social assistance and welfare services. British Columbia's CAP receipts were $604 million in 1986/87.

Other Federal Government Contributions

The provincial government has agreements with the federal government in many other areas; most of these agreements are for a limited duration.

The Economic Regional Development Agreement consists of eight active and two proposed subagreements with a total federal contribution of $315 million over five years. These agreements support programs designed to enhance economic activity in the areas of forestry, agriculture, industrial development, tourism, mineral development, small business incentives and science and technology.

Other areas of federal financial support include employment training, pubiic housing, youth corrections, ferry services, and fisheries enhancement. Also, in August 1987, the federal government announced the creation of the Western Diversification Fund, which will provide $1.2 billion over the next five years to encourage the creation of enterprises in the four western provinces.

During 1986/87, federal contributions to provincial government revenue for these various programs totalled $173 million.

Provincial/Local Relations

In January 1987, the first provincial-municipal conference in British Columbia's history was held in Vancouver.

The conference, co-chaired by Premier William N. Vander Zalm and Municipal Affairs Minister Rita Johnston, reviewed two comprehensive packages prepared for the government by former Municipal Affairs Minister Dan Campbell and former

Union of British Columbia Municipalities Executive Director Jeff McKelvey. It concluded with broad agreement on the need for greater decentralization to improve public services.

The conference referred a number of specific proposals, relating to decentralization incentives and other matters raised at the conference, to a new Provincial-Municipal Committee on Decentralization and Related Matters.

Local Governments

Local governments in British Columbia consist of incorporated municipalities (cities, towns, villages and districts), regional districts, school districts, regional hospital districts and special purpose improvement districts, as follows:

- 144 municipalities incorporated under the *Municipal Act*, which provide facilities such as roads, waterworks and sewers, as well as a wide range of social, recreation and protection services. (Details below.)
- 28 regional districts incorporated under the *Municipal Act*, combining municipal and other local government areas to provide services efficiently over a large area. Almost all of the province is included within regional district boundaries.
- 75 school districts incorporated under the *School Act*, which provide coordinated administration of schools. The districts cover 98 per cent of the province and usually combine adjacent municipal and non-municipal areas.
- 28 regional hospital districts incorporated under the *Hospital District Act*. These districts, sharing boundaries with the regional districts, share in the planning and construction of health facilities.
- 327 improvement districts, primarily in non-municipal areas, incorporated under the *Municipal Act*. Services provided by improvement districts include waterworks (261 areas), fire protection (92 areas), irrigation (65 areas), street lighting (42 areas), drainage (39 areas), garbage disposal (31 areas), sewage disposal (16 areas), parks and playgrounds (21 areas), dyking (21 areas), community halls, recreation areas, cemeteries and land acquisition and improvements such as boat landings, mosquito control, river bank protection, water treatment, electrical energy and lake level control.

Municipalities

At June 30, 1987, there were 36 cities, 48 districts, 13 towns and 47 villages, totalling 144 municipalities. For details of municipal population, see Appendix 11. Provincial funding was provided to municipalities during 1986/87 under the *Revenue Sharing Act* and the *Municipal Aid Act*.

Revenue Sharing

Under the 1977 *Revenue Sharing Act*, a revenue-sharing formula gives municipalities access to the broader provincial revenue base and so reduces pressure on the real property tax base. The formula transfers annually into the Revenue Sharing Fund an amount equal to the yield of one point of personal income tax, one point of corporation income tax, and six per cent of sales tax and natural resource revenue. Municipalities and regional districts received $227 million under the *Act* in 1986/87. Payments are in the form of both conditional and unconditional grants (see Appendix Table 3.1, Major Provincial Programs for Local Government).

The *Revenue Sharing Amendment Act*, passed in 1985, established a Grant Stabilization Account within the Revenue Sharing Fund. The account is intended to partially insulate grants to municipalities from fluctuations in provincial government revenue. During 1986/87, $3.9 million was allocated to the account to bring the balance available for use in future years to $37.1 million.

Downtown Revitalization Account (1980)

This special purpose account was established with a $25 million appropriation to provide grants and loans to municipalities and the business community for the revitalization of downtown areas. During 1986/87, the account made loans of $2.3 million and grants of $500,000.

Grants in Lieu of Property Taxes

The province pays grants in lieu of taxes on Crown property to municipalities under the *Municipal Aid Act*. The grants are equal to the assessed value of the property, multiplied by the applicable municipal and regional district tax rate, including the debt service levy. Many British Columbia Crown corporations also pay grants to municipalities on the same basis. In 1986/87, the provincial government paid $600,000 under this provision, while the British Columbia Buildings Corporation, on behalf of provincial ministries, paid $11.5 million.

Provincial Home Owner Grant

The Provincial Home Owner Grant Program reduces property tax levies for eligible home owners. In 1986, the grant to each eligible home owner, to be applied first against the local school tax levy, was $380. An additional $250 grant was paid to eligible home owners aged 65 years or over, to handicapped persons eligible under the regulations and to those eligible persons receiving an allowance under the federal *War Veterans Allowance Act* or the *Civilian War Pensions and Allowances Act*.

In 1986, as a result of this property tax relief program, many British Columbia home owners paid the minimum property tax for local government services, including education, of $200, or $1 for those eligible for the supplementary grant. In 1987, the minimum property tax was raised to $350 for recipients of the basic home owner grant and to $100 for recipients of the supplementary grant. Provincial home owner grants paid in 1986/87 totalled $280 million, an increase of $5 million from 1985/86. An estimated $235 million was applied to reduce local school taxes, while the balance was applied to reduce other local property tax levies.

Municipal Finance Authority of British Columbia

The authority is incorporated under the *Municipal Finance Authority Act* as a central borrowing agency to provide capital financing (other than for schools and hospitals) for local governments in British Columbia. Two special purpose districts and all regional districts and their member municipalities (except the City of Vancouver) are required to finance their long-term capital requirements through the authority. The authority issues its own securities and lends the proceeds to the regional districts on whose request the financing is undertaken.

Obligations of the authority are not obligations of the province and are not guaranteed directly or indirectly by the provincial government. Currently, the authority's bonds are rated Aaa by Moody's Investors Service, AA+ by Standard & Poor's Corporation and AA by the Canadian Bond Rating Service.

The combined credit-worthiness of all the regional districts and their member municipalities, which together encompass nearly all the taxable land and improvements in the province, stands behind the authority's obligations. In addition, a debt reserve fund is maintained to satisfy obligations in case funds are not available to meet payments or sinking fund contributions. If the Board of Trustees of the authority considers that payments made from the debt reserve fund will not be recovered within a reasonable period, it may, and under certain circumstances must, levy taxes upon all taxable land and improvements in the province at rates sufficient to restore the fund to its original level.

At June 30, 1987, the outstanding long-term debt contracted by the authority on behalf of the regional districts and their member municipalities totalled $1,219.8 million and the debt reserve fund balance was $123.6 million.

British Columbia Assessment Authority

The authority is incorporated under the *Assessment Authority Act* as an independent corporation with responsibility for real property assessment throughout British Columbia. The Assessment Authority is governed by a five-member board of directors.

With the exception of farm land, forest land and some utilities, land and improvements are assessed at their actual value. The provincial Cabinet has prescribed eight classes of property, for which different tax rates may be set. This is one fewer than in 1986, due to the elimination of property taxes on machinery and equipment.

In 1984, a biennial assessment system was introduced: assessment rolls are completed by September 30 in each even-numbered year. In most cases the assessment shown upon these rolls will be the assessment for taxation purposes in the two following taxation years. For those properties which undergo specified changes, such as changes in physical characteristics, classification or ownership, a revised assessment roll is completed by September 30 in each odd-numbered year.

For assessment purposes, the province is divided into 23 areas. Assessment rolls are prepared for each taxing jurisdiction within an area and, after confirmation by the Court of Revision, are used in the production of tax rolls. For the 1987 and 1988 assessment rolls, approximately 1.2 million taxable and exempt properties were assessed. The actual value of all properties, including some Crown properties and other properties exempt or partially exempt from taxation, was $137.5 billion. The actual and school taxable values are shown in Table 3.1.

Table 3.1
Actual and School Taxable Property Values, 1987

	Total Actual Value	School Taxable Value[1]
	($ millions)	
(a) By taxing jurisdiction		
Cities	53,969	44,792
District municipalities	55,855	47,463
Towns	1,724	1,482
Villages	1,740	1,354
Rural	24,209	18,310
Total	137,497	113,401
(b) By property classification		
Residential	84,296	79,319
Utilities	11,844	9,063
Forestry	193	14
Industrial	6,153	5,395
Business/other	30,450	18,351
Tree farm land	121	121
Recreational property/Non-profit organization	3,096	475
Farm land	1,344	663
Total	137,497	113,401

[1] School taxable value is the total actual value of property less the value of property that is exempt from school tax.

Native Indians

There are approximately 68,800 status Native Indians in 196 bands in British Columbia, with approximately 40,000 living on reserves. The federal government has constitutional responsibility for status Indians on reserves, so federal policies have a significant effect on provincial fiscal, economic and social programs. Recent federal amendments to the *Indian Act*, for example, are expected to increase the number of people with Indian status by 20,000 over the next five years.

It is the goal of the provincial government to encourage native Indian social and economic advancement. The provincial government believes that the best approach to achieving this goal is to resolve local issues through locally developed agreements with specific Indian bands or tribal councils.

Local Self-Government

Many native Indian organizations are seeking a greater degree of self-government, free of the restrictive aspects of the *Indian Act*. The Sechelt Band established a quasi-municipal form of government for their members after passage of enabling federal legislation in 1986 and provincial legislation in the spring of 1987. The Sechelt initiative is the first in Canada, and may serve as a model for other Indian bands.

The provincial government is also willing to transfer certain social programs to the control of Indian agencies. An arrangement has been implemented with the Nuu-

Chah-Nulth tribal council on Vancouver Island whereby the responsibility for native Indian child and family protection services will be assumed by the tribal council. The government also provides funding to enable some 55 school districts to offer special Indian education programs and services.

Taxation

The federal *Indian Act* grants bands taxing power on Indian occupiers of reserves, but not on non-Indian occupiers. Property taxes are levied on non-Indian occupiers of reserves by the province (in rural areas) and by local governments. In 1986, the Kamloops Band and the province agreed to return the taxes to the Band to reflect the fact that the Band provides local government-type services. The province anticipates that similar agreements will be negotiated with other bands in the near future.

Status Indians are exempted from consumption and income taxes on purchases made or income paid on a reserve. This exemption does not extend to surrendered lands or off the reserves.

Claims of Aboriginal Title

As of June 1987, the Supreme Court had agreed to hear three separate aboriginal title cases involving extensive areas of land in British Columbia. These actions are expected to take a number of years to resolve.

4

CROWN CORPORATIONS AND ENTERPRISES

4. Crown Corporations and Enterprises

Introduction

Crown corporations and enterprises are entities established or acquired by the government. Their functions include commercial and quasi-commercial activities, the administration of services and programs and the financing of other public bodies. Many Crown corporations and enterprises receive financial assistance from the government in the form of grants, loans, equity investments and debt guarantees. The operations of Crown corporations are recorded in their own financial statements; the government's main financial statements reflect only transactions between government and the Crown corporations. The financial statements of all Crown corporations and enterprises are subject to audit by the Auditor General or by private sector auditors. Appendix Table 4.1 lists major British Columbia Crown corporations and enterprises and their functions. Appendix Table 7.13 summarizes borrowing of provincial Crown corporations and Appendix Table 7.14 summarizes their net debt outstanding.

British Columbia Hydro and Power Authority

British Columbia Hydro and Power Authority generates, transmits and distributes electricity to nearly 1.2 million customers in a service area which contains more than 90 per cent of British Columbia's population. The Authority's rated or "name-plate" generating capacity at March 31, 1987 was 10,481 megawatts compared with 10,483 megawatts at March 31, 1986. The highest one-hour peak demand on the integrated system during the year was 6,345 megawatts on January 15, 1987. This was 6.9 per cent lower than the record set in November 1985.

British Columbia Hydro also distributes natural gas in Greater Vancouver and the Fraser Valley, manufactures and distributes propane-air gas in Greater Victoria and operates a railway offering local and terminal freight service to the Fraser Valley and locations in Burnaby and New Westminster.

Operations

Detailed operating results are given in Table 4.1.

Total revenue for 1986/87 was down 5.1 per cent at $1,987 million, due mainly to lower export sales of electricity. Electricity export volumes were slightly less than half those in 1985/86 and, because of lower prices, export revenues were only $93 million, compared to $252 million for the previous year. The export market was depressed by lower world oil and gas prices and limitations in British Columbia Hydro's access to transmission lines to United States markets in the early part of the year. However, the outlook for 1987 is brighter given that electricity export revenue was $44 million in the first quarter of 1987/88 compared to zero in the same period of 1986/87.

Table 4.1

British Columbia Hydro and Power Authority Financial and General Operating Data

Fiscal year ended March 31,		1986	1987	Change 1986–1987
Electric				(per cent)
Generating name-plate capacity	(rated megawatts)	10,483	10,481	—
Customers	(thousands)	1,163	1,184	1.8
Electricity sold (domestic)	(million kilowatt-hours)	32,857	34,417	4.7
Electricity sold (export)	(million kilowatt-hours)	9,407	4,665	−50.4
Residential service—average revenue per kilowatt-hour	(cents)	5.4	5.5	1.9
Gas				
Gas sold[1]	(terajoules)	98,247	92,478	−5.9
Customers	(thousands)	374	385	2.9
Average revenue per gigajoule[1]	(dollars)	4.29	4.14	−3.5
Rail freight[2]	(thousands of tonnes)	1,977	1,712	−13.4
Employees (including temporary employees)		6,508	6,393	−1.8
		($ millions)		(per cent)
Revenue		2,094	1,987	−5.1
Net income (loss) by service				
Electric		(23)	51	—
Gas		26	14	−46.2
Rail		5	2	−60.0
Sundry		1	—	—
Net income before extraordinary items		9	67	644.4
Extraordinary items[3]		—	(42)	—
Net income[4]		9	25	177.8
Expenditure on fixed assets—net of contributions in aid of construction		191	158	−17.3
Fixed assets in service		10,749	11,001	2.3
Long-term liabilities		8,243	7,498	−9.0
Temporary investments at end of year		226	24	−89.4

[1] Gas sales measured in thousands of cubic feet (MCF) are converted to the energy equivalent in gigajoules (GJ) by the relation 1GJ = 0.9390 MCF. One terajoule is 1,000 gigajoules.

[2] The tonnage reduction in 1987 is attributable to the first full year of operation without the Vancouver and Lulu Island rail line, for which the operating agreement expired on December 31, 1985.

[3] Due to the deferment of the Vancouver Island gas pipeline project, the aging of information, and the uncertainty of British Columbia Hydro's role, the $29 million book value of the project expenditures has been charged off as an extraordinary item in 1987. Also, because of uncertainty regarding property purchased for a head office, the investment has been written down by $13 million to current appraised value.

[4] After net transfers of $4 million to the rate stabilization account in 1986 and $107 million from the account in 1987.

Source: British Columbia Hydro and Power Authority Annual Report 1986/87.

Domestic electricity sales were strong. In spite of a milder than normal winter, domestic electricity sales set a new record of 34,417 million kilowatt-hours, 4.7 per cent more than the previous year.

At March 31, 1987, electrical service was provided to 1,184,000 customers, 88 per cent of whom were residential, with the remainder being primarily commercial or industrial.

Gas sales volume was down 5.9 per cent from the previous year due mainly to the warm weather during the main heating season of January to March. Despite the decrease in volume, the total number of gas customers increased by 11,113 during the year to reach 385,178.

Gas revenues, which decreased by $38 million, or 9 per cent, from the previous year, were also affected by lower rates as a result of government initiatives to establish market-oriented pricing in the natural gas industry.

Total operating expenses, excluding finance charges, decreased by $34 million, or 3 per cent, compared to the previous year. This reduction was due mainly to lower energy costs, especially for natural gas, and employee compensation, which more than offset higher depreciation charges.

Depreciation and amortization increased by $20 million as a result of additional assets having been placed in service, accelerated depreciation on certain gas service assets and the write-off of miscellaneous project studies.

Total finance charges were $20 million lower than in the prior year in spite of $44 million in additional interest costs related to financing new assets in service. These additional interest costs were more than offset by lower interest rates, an increase in the value of the Canadian dollar relative to the United States dollar, and favourable financing arrangements.

Financing

During the year, British Columbia Hydro successfully undertook a program to reduce finance charges through the application of refinancing programs, interest rate swaps and forward foreign exchange contracts.

Long-term borrowings in 1986/87 were $114 million payable in Canadian currency at an average coupon rate of 8.98 per cent and $186 million payable in United States currency at an average coupon rate of 6.25 per cent.

At March 31, 1987, British Columbia Hydro's gross outstanding long-term debt totalled $9,081 million which was partially offset by $1,176 million in sinking funds. The net long-term debt outstanding of $7,905 million was $585 million less than at March 31, 1986. The average coupon rate on long-term debt outstanding at March 31, 1987 was 10.63 per cent. At March 31, 1987 British Columbia Hydro also had $116 million of short-term debt outstanding.

Capital Expenditure

During the year ended March 31, 1987, capital expenditure totalled $187 million, a reduction of $37 million from the previous year. This decrease reflects British Columbia Hydro's continuing shift in business emphasis from a development to an operating company. Most of the capital expenditure was for improvements and expansion of the electricity and gas distribution system.

Capital Program

The second circuit of the Cheekye-Dunsmuir transmission line, connecting the mainland of British Columbia to Vancouver Island, was finished and work was completed on the transmission system on southern Vancouver Island.

A study of the feasibility of the Site C generating facility on the Peace River was coordinated by British Columbia Hydro, in conjunction with the Bonneville Power Administration and nine California and Pacific Northwest utilities, to provide a basis for identifying and assessing the technical elements, legal issues and economic factors of generation, transmission and marketing of Site C power in the United States. The results of the study confirmed the technical feasibility of the project, identified a market which is six times greater than Site C's potential capacity, detailed the transmission facilities needed to deliver the power and identified regulatory requirements in Canada and the United States.

British Columbia Railway Company

British Columbia Railway Company, the third largest railway in Canada, operates 2,237 kilometres of main-line track from North Vancouver to the north east region of British Columbia (see Map 6.1: Chapter 6). The railway also maintains 635 kilometres of industrial and yard track and sidings. Through connections at North Vancouver, Prince George and Dawson Creek, British Columbia Railway has access to the North American railway network. Deep-sea bulk-loading facilities are located at North Vancouver and Squamish and a separate 23-mile rail line connects trans-continental rail carriers to Roberts Bank, the port facility for coal mines in Alberta and south-eastern British Columbia. The railway also operates a microwave communication system which enables dispatchers to be in constant communication with its trains, as well as with its trucking fleet.

At the end of 1986, the railway's rolling stock fleet comprised 116 locomotives plus 10,146 freight, 9 passenger and 455 work cars. Land holdings of more than 19,000 hectares include, in addition to rights-of-way, industrial parks at Prince George, Williams Lake, Mackenzie, Fort St. John, Dawson Creek, Fort Nelson and Fort St. James.

Corporate Structure

British Columbia Railway Company, which is 100 per cent owned by the government of British Columbia, together with its wholly owned subsidiary, BCR Properties Ltd., owns 100 per cent of the common shares of BC Rail Ltd. BC Rail Ltd. owns and operates all the assets of British Columbia Railway Company, except industrial parks and certain undeveloped land, which are held by BCR Properties Ltd.

Operations

Details of operating results are given in Table 4.2. Operating revenue for 1986 was $313.4 million, an increase of 6.4 per cent over the previous year. Net income, after dividend payments to preferred shareholders, was up 19.8 per cent at $51.4 million.

On May 9, 1986, British Columbia Railway Company paid a $10.3 million common share dividend to its shareholder, the Province of British Columbia. This was the first common share dividend in the railway's 75 year history. A second dividend of an equal amount was paid in May 1987.

Table 4.2

British Columbia Railway Company Consolidated Summary Income Statement and Operating Data

Fiscal year ended December 31.		1985	1986	Change 1985–1986
		($ thousands)		(per cent)
Operating revenue		294,600	313,447	6.4
Operating expense		216,239	230,396	6.5
Operating income		78,361	83,051	6.0
Interest expense (after debt servicing grant)		18,442	13,687	25.8
Other income		1,844	2,711	47.0
Net income before deferred income taxes		61,763	72,075	16.7
Provision for deferred income taxes		333	2,138	542.0
Minority interest (dividends)		18,500	18,500	—
Net income		42,930	51,437	19.8
Number of carloadings		234,335	235,697	0.6
Tons hauled		17,831,967	17,854,317	0.1
Employees at year end		2,620	2,660	1.5
Revenue per main track kilometre	($ thousands)	132	140	6.1

Source: British Columbia Railway Annual Report 1986

Capital Expenditure

Total capital expenditure in 1986 was $53.9 million, which included the final year of the four-year upgrading program on the main line between Anzac and Prince George. Capital expenditures also included $5.3 million for a rail grinding train, $4.2 million for rehabilitation of the Fort Nelson Extension and $5.6 million for upgrading the Dawson Creek Extension. The provincial government reimbursed Fort Nelson rehabilitation costs and the federal government reimbursed the Dawson Creek costs.

The railway's five-year plan calls for total capital expenditures of approximately $530 million between 1987 and 1991.

Government Assistance

In recognition of the railway's role as a vehicle for the development of northern British Columbia and as an operator of uneconomic services deemed to be in the provincial interest, the provincial government provides limited financial assistance to the railway. The provincial government provided operating grants of $8.1 million in 1986.

Insurance Corporation of British Columbia

The Insurance Corporation of British Columbia was established in 1973 under the *Insurance Corporation Act* to administer Autoplan, a compulsory automobile insurance program providing basic liability coverage and accident benefits to all licenced motor vehicle owners in the province. In competition with other insurance companies, the corporation also offers a comprehensive range of optional automobile coverage.

The Insurance Corporation is self-supporting and endeavours to provide automobile insurance coverage at cost, with revenue and expenses in balance. Each year the premium rate structure is determined in advance, based upon anticipated claim costs, expenses and investment income.

In 1986, premium income, investment income, claim costs and expenses were all greater than expected. The total revenue of the *Insurance (Motor Vehicle) Act* Fund reached $929 million, an increase of 3.2 per cent over 1985, while the cost of claims incurred and operating expenses increased by 12.2 per cent from the previous year to $927.9 million. The fund reported a net income of $1.1 million. At the end of 1986, the unappropriated surplus in the fund was $12 million. As a result of 1986 experience and current expectations, the corporation has increased 1987 premiums by an average of 4.5 per cent from 1986 levels. A summary of operating information is presented in Table 4.3.

Table 4.3

Insurance Corporation of British Columbia Operating Data

Fiscal year ended December 31,		1985	1986	Change 1985–1986
				(per cent)
Vehicle policies		2,040,000	2,109,000	3.4
Premium income	($ thousands)	742,372	757,754	2.1
Average premium		$371	$362	−2.4
Number of claims for policy year		482,000	539,000	11.8
Cost of claims incurred	($ thousands)	653,883	742,139	13.5
Unpaid claims	($ thousands)	1,090,958	1,245,488	14.2
Expense ratio		15%	15%	—
Other expenses	($ thousands)	173,312	185,736	7.2
Investment income	($ thousands)	158,385	171,241	8.1
Investments at year end	($ thousands)	1,359,802	1,546,432	13.7
Total assets	($ thousands)	1,529,505	1,702,603	11.3
Net income	($ thousands)	73,562	1,120	−98.5
Average number of employees		2,310	2,415	4.5

Source: Insurance Corporation of British Columbia Annual Report 1986.

British Columbia Ferry Corporation

British Columbia Ferry Corporation was established in 1977 to assume responsibility for operation of the province's major coastal ferries. The corporation, which employs approximately 3,000 employees during the peak season, operates one of the largest ferry systems in the world as measured by traffic carried and routes serviced. The fleet of 38 vessels operating on 27 routes has a capacity of 5,000 vehicles and a licenced capacity of 24,100 passengers. Routes connect the Lower Mainland, Sunshine Coast, Vancouver Island, the Gulf Islands and several island communities. In addition, ferries operate between Prince Rupert and Port Hardy, and between Prince Rupert and Skidegate on the Queen Charlotte Islands. Charter services for passengers and light freight are also provided for communities on the west coast of Vancouver Island; between

Prince Rupert, Port Simpson and Kincolith; between Vancouver Island and Lasqueti Island, and to other mid-coast communities. Drop-trailer service for unaccompanied commercial vehicles is also provided between Prince Rupert and Skidegate.

Operations

Details of operating results are shown in Table 4.4. The operating costs are partially funded by the provincial government. The provincial subsidy was $40 million in 1985/86 and $57 million in 1986/87, which was the first full year for which the corporation was responsible for the saltwater ferries transferred from the Ministry of Transportation and Highways. The corporation reported an estimated net loss of $9.6 million in 1986/87, a reduction of $7.1 million from the previous year, reflecting an increase in operating efficiency combined with additional traffic generated by Expo 86.

The corporation has the authority to borrow up to $250 million, which may be guaranteed by the provincial government. At March 31, 1987, the corporation had $43.2 million of debt and $89.7 million in capital leases outstanding.

Capital Expenditure

During 1986/87, the corporation spent $10.5 million on capital projects. Of this amount, $2.5 million was spent on upgrading and modifications of ships, $5.3 million on improvements to terminals and $2.8 million on equipment and provincial taxes.

Table 4.4

British Columbia Ferry Corporation Summary Income Statement and Operating Data

Fiscal year ended March 31,		1986	1987	Change 1986–1987
		($ millions)		(per cent)
Net operating revenue		125.7	153.9	22.4
Operating expense		146.2	182.6	24.9
Operating loss before subsidy		20.5	28.7	40.0
Provincial subsidy		40.0	57.0	42.5
Income from operations		19.5	28.3	45.1
Interest expense		7.2	10.4	44.4
Depreciation		29.0	29.5	1.7
Net loss before extraordinary items		16.7	11.6	−30.5
Extraordinary gain		—	2.0	—
Net loss		16.7	9.6	−42.5
Traffic				
Vehicles	(thousands)	5,050	6,526	29.2
Passengers	(thousands)	13,497	18,235	35.1
Capacity utilization (annual average)				
Vehicles		60%	60%	
Passengers		30%	34%	

Source: British Columbia Ferry Corporation.

British Columbia Transit

British Columbia Transit was established in 1978 to ensure a uniform provincial policy for urban transit. This policy facilitates financial planning and technical assistance, and ensures an equitable sharing of operating costs between the provincial government and local municipalities.

Commencing in April 1979, British Columbia Transit entered into operating agreements with 13 municipalities. By April 1, 1986, this had grown to 52 agreements, including 23 conventional, 18 custom and 11 para-transit services operating in 37 municipalities throughout the province.

Transit systems are financed through a funding formula specifying the shares covered from a provincial contribution, a municipal contribution and direct operating revenues (farebox, passes and advertising). In Greater Vancouver and Victoria the municipal contribution may be raised through a combination of property taxation, an electrical power levy and a gasoline surcharge, and in the rest of the province through property taxation.

An important part of British Columbia Transit's mandate is to provide a unified approach to the management of a provincial fleet of 1,400 vehicles including 114 SkyTrain cars, two SeaBus ferries and numerous other physical assets, including transit exchanges and garages.

Skytrain

British Columbia Transit has overall responsibility for the construction of a major urban transit project in Greater Vancouver. Phase I of the project, the 22-kilometre SkyTrain rapid transit line between downtown Vancouver and New Westminster, was successfully commissioned on January 2, 1986, at a cost before interest charges of $854 million. Phase II from New Westminster to Scott Road in Surrey is scheduled for completion in 1990 at a cost before interest charges of $179 million.

British Columbia Transit also funds transportation for disabled persons who are unable to use conventional public transit vehicles. A custom transit service known as handyDART serves Greater Vancouver, Greater Victoria, Maple Ridge, Abbotsford-Matsqui, Kelowna, Kamloops, Prince George, the Vernon area, Penticton, Alberni-Clayoquot and Prince Rupert.

Operations

Operating results are summarized in Table 4.5. Expenditure increased significantly during 1986/87 as a result of Expo 86 and the first year of SkyTrain operations. Recoveries from transit operations during 1986/87 totalled $121.3 million, with the resulting deficit of $183.4 million being cost-shared by the participating municipalities and the provincial government.

Table 4.5

British Columbia Transit Statement of Operating Expenditures and Recoveries

Fiscal year ended March 31.	1986	1987	Change 1986–1987
	($ thousands)		(per cent)
Expenditures			
Transit operations	151,265	188,821	24.8
Administration	27,256	28,280	3.8
Debt servicing	16,964	87,627	416.5
	195,485	304,728	55.9
Recoveries			
Contributions from the provincial government[1]	74,965	119,530	59.4
Contributions from municipalities	34,369	63,890	85.9
Transit operations	86,151	121,308	40.8
	195,485	304,728	55.9

[1] The provincial government has also provided principal and interest payments on $275 million of debt, representing approximately 50% of SkyTrain guideway and stations construction costs. These payments amounted to $38.9 million in 1987.

Source: British Columbia Transit

British Columbia Petroleum Corporation

Under the natural gas marketing system implemented on July 1, 1985, under the *Natural Gas Price Act*, the role of the British Columbia Petroleum Corporation changed from revenue collection to administration of the gas distribution system. The corporation continues to administer the contracts which it holds with producers for marketing gas through Westcoast Transmission Company Limited, but producers are now also able to make their own marketing arrangements with industrial customers. Under the new system, producers pay the province a royalty on the revenues they receive from the sale of gas and by-products. No revenues from the resale of the gas accrue to the corporation.

Natural Gas Price Adjustment Fund

The *Natural Gas Price Act* established the Natural Gas Price Adjustment Fund, which is administered by the corporation. After deduction of the cost-of-service paid to Westcoast, all revenue from the sale of natural gas and by-products is paid into the fund, and then distributed to producers. In the year ended March 31, 1987, the total revenue of the Natural Gas Price Adjustment Fund, including interest, was $398.1 million, while the total expenditure, including payments to producers was $400.0 million (see Table 4.6). The amount still available for distribution to producers at the year end was $38.5 million.

Table 4.6

Natural Gas Price Adjustment Fund: Statement of Revenue, Expenditure and Fund Balance

Fiscal year ended March 31.	1986 (9 months)	1987
	($ thousands)	
Revenue		
Natural gas, natural gas liquids and sulphur	463,945	395,808
Interest	382	2,292
	464,327	398,100
Expenditures		
Gas purchases	378,195	369,803
Price adjustments	20,776	18,005
Payments for natural gas liquids	23,535	10,373
Administrative and general expenses	1,415	1,833
	423,921	400,014
Excess (deficiency) of revenue over expenditure	40,406	(1,914)
Fund balance at beginning of year	—	40,406
Fund balance at end of year	40,406	38,492

Source: British Columbia Petroleum Corporation Annual Report 1986-87.

Petroleum Corporation Fund

The Petroleum Corporation Fund established in 1973 under the *Petroleum Corporation Act*, reflects those activities of the corporation which are not connected with the Natural Gas Price Adjustment Fund. Such activities primarily relate to the period prior to July 1, 1985, and include the payments for any failure by the corporation to take the minimum annual volume of gas under "take or pay" agreements and all recoveries of deficiency gas. The net income of this Fund for the year was $226,000 (see Table 4.7).

Table 4.7

Petroleum Corporation Fund: Statement of Revenue, Expenditure and Surplus

Fiscal year ended March 31,	1986	1987
	($ thousands)	
Revenue		
Interest	5,364	3,778
Gas sales	60,991	—
	66,355	3,778
Expenditure		
Loss on prepaid gas	—	3,347
Administrative and general expenses	945	205
Gas purchases	61,907	—
	62,852	3,552
Net income	3,503	226
Add: Surplus at beginning of year	133,857	102,360
	137,360	102,586
Deduct: Transfers to Provincial Treasury	35,000	15,000
Surplus at end of year	102,360	87,586

Source: British Columbia Petroleum Corporation Annual Report 1986/87.

Natural Gas

A total of 7,032 million cubic metres of gas was sold during the year, 4.6 per cent more than the previous year. Although domestic sales volumes decreased 8.3 per cent, this decline was more than offset by a 41 per cent increase in export sales. However, lower wholesale prices since the start of the new contract year on November 1, 1986, have reduced revenues considerably.

The average price of natural gas sold to the domestic utilities was $89.99 per thousand cubic metres during the fiscal year, down from $99.62 in 1985/86. The average export price was $86.80, down from $105.48 in the previous year. The regulated price paid to producers by the corporation averaged $55.86 per thousand cubic metres, down from $70.43 in the previous year.

Regulatory Matters

Early in 1986, the National Energy Board conducted a hearing in respect of a tolls application by Westcoast Transmission Company Ltd. In August, the Board set new tolls retroactive to January 1 that were lower than the interim tolls that had been in effect. Westcoast therefore rebated to the corporation $31.1 million, the excess tolls for the ten months ended October 31, 1986, together with carrying charges. This amount, plus interest, was included in the fund balance at March 31, 1987 and was, in turn, rebated after the end of the fiscal year to producers.

Investment in Methanol Plant

The corporation is owed $48.0 million by Ocelot Investments Ltd., representing funds advanced under a debenture agreement maturing in 2004 and credit extended to Ocelot Investments Ltd. for fuel and feedstock gas, and for certain

other costs incurred by the corporation in connection with the construction and operation of a methanol plant at Kitimat, British Columbia. Due to financial and operating difficulties, payments by Ocelot Investments Ltd. amounting to $4.1 million were in arrears at March 31, 1987.

In November 1986, the operation of the methanol plant was taken over by Ocelot Ammonia Company which also operates an associated ammonia plant. Both plants are now operating successfully. The corporation's receivable is secured by a charge on the assets of the methanol plant, whose value is considered sufficient to assure eventual repayment of the amount owed to the corporation. Negotiations on repayment are continuing with the parent company, Ocelot Industries Ltd.

British Columbia Enterprise Corporation

(See also British Columbia Place Ltd. and British Columbia Development Corporation.)

British Columbia Enterprise Corporation was established effective March 31, 1987, as a result of the restructuring, including refinancing, of British Columbia Development Corporation and British Columbia Place Ltd. Under legislation passed by the British Columbia Legislature in August 1987, but retroactive to March 31, 1987, the name of British Columbia Place Ltd. was changed to British Columbia Enterprise Corporation and certain assets and liabilities of British Columbia Development Corporation were transferred to British Columbia Enterprise Corporation.

The reasons for the restructuring were: the need to refinance British Columbia Development Corporation, which carried a debt burden too large to be serviced without continual provincial government assistance; recognition that the losses of British Columbia Development Corporation and British Columbia Place Ltd. arose partly from their mandate to meet public social objectives as well as profit-oriented development aims; separation of the operation of the public facilities, such as British Columbia Place Stadium, from other assets; and, the distribution of the land and loan assets of the two corporations into a viable corporation that could be privatized, if desired, without further refinancing.

Following the restructuring, British Columbia Enterprise Corporation is responsible for administering the land and industrial loan assets of British Columbia Development Corporation, as well as the low interest loan funds administered in trust for the government. British Columbia Enterprise Corporation will continue to administer the land owned by British Columbia Place Ltd.

The only debt taken over by British Columbia Enterprise Corporation is an amount ($130 million) equal to the value of the industrial loan assets acquired. All remaining debt of the two corporations ($396.8 million) is taken over by the provincial government, which now owns the equity in British Columbia Enterprise Corporation, amounting to $299.8 million at March 31, 1987. The $205 million equity investment of British Columbia Buildings Corporation in British Columbia Place Ltd., originally made to provide the funds needed to construct the British Columbia Place Stadium, is being transferred to the government as well as an

equal amount of British Columbia Buildings Corporation's debt. All assets of British Columbia Development Corporation and British Columbia Place Ltd. were transferred to British Columbia Enterprise Corporation at the values determined in the audited financial statements of the two corporations at March 31, 1987.

British Columbia Place Limited

(See also British Columbia Enterprise Corporation.)

Prior to restructuring, effective March 31, 1987, British Columbia Place Ltd. was responsible for the redevelopment of more than 73 hectares of land on the north shore of False Creek in Vancouver, the administration of several other Crown land development projects and various public facilities including the British Columbia Place Stadium. In 1987, legislation was passed to change the company's name to British Columbia Enterprise Corporation and to transfer the assets, liabilities and operating responsibilities of British Columbia Development Corporation to British Columbia Enterprise Corporation, effective March 31, 1987.

British Columbia Enterprise Corporation will continue to administer the long-term development around False Creek. More than 70 per cent of the False Creek land was used for the Expo 86 site, which will be converted, along with the remaining False Creek lands, into a full range of residential accommodation and office and commercial space, including parks and other public amenities. To date, several lots have been sold or leased and three residential buildings have been completed. The remainder of the False Creek property is to be sold to qualified purchasers.

British Columbia Enterprise Corporation will retain British Columbia Place's responsibility for managing and marketing the development of other Crown lands. These include the 728-hectare Westwood Heights project in Coquitlam, the 69-hectare Songhees Point in Victoria, the 644-hectare River Heights project in Coquitlam and 24 hectares at Whistler, including a golf course and the Blackcomb Benchlands.

British Columbia Place reported a net loss of $19.7 million for 1986/87, compared to a net loss of $13.9 million for the previous year.

British Columbia Pavilion Corporation

As part of the restructuring, the public facilities, consisting of the British Columbia Place Stadium and the lease on the Vancouver Convention Centre at Canada Place and associated facilities, will be transferred to British Columbia Pavilion Corporation. Also, the former British Columbia Pavilion Complex (now called the British Columbia Enterprise Centre) and the Expo Theatre, are being leased to the British Columbia Pavilion Corporation. British Columbia Pavilion Corporation, formerly a subsidiary of British Columbia Place, will now be owned directly by the provincial government.

British Columbia Development Corporation

(See also British Columbia Enterprise Corporation.)

British Columbia Development Corporation was established in 1973 to encourage economic growth and development in British Columbia by assisting in the establishment, expansion and continued operation of industry in the province. In

1987, legislation was passed authorizing the transfer of the assets, liabilities and operating responsibilities of British Columbia Development Corporation to British Columbia Enterprise Corporation, formerly British Columbia Place Ltd., effective March 31, 1987.

Prior to restructuring, the corporation had authorized capital of $200 million and a limit on its total guarantees, debt and capital structure of $1 billion. At March 31, 1987, the issued share capital was $54.6 million and outstanding debt was $312.0 million, prior to the transfer.

The Business Finance Division provides loans to industrial enterprises to assist in their establishment, expansion and continued operation (see Table 4.8). In 1986/87, the corporation approved loans and guarantees totalling approximately $170 million to 249 clients. This financing is to support investments by clients totalling $298 million. Included in the approvals were 143 loans totalling $14 million under the Low Interest Loan Assistance (LILA) program, which was administered by the corporation as trustee for the provincial government. British Columbia Enterprise Corporation will continue to adminster these industrial and low interest loans.

Table 4.8

Activities of the Business Finance Division, British Columbia Development Corporation

Major Loan and Guarantee Approvals for year ended March 31, 1987 Industry Groups	Clients	Total Client Expenditure	B.C.D.C. Loan Participation		Employment	
			Direct	LILA	Created	Preserved
		($ millions)				
Food and beverages	22	7.2	2.1	1.6	149	85
Wood products	35	216.2	120.6	2.6	744	364
Printing and allied industries	17	5.4	1.6	1.5	60	6
Metal products	43	38.5	15.7	3.3	387	161
Electrical apparatus	4	1.0	0.1	0.3	10	—
Scientific apparatus	1	0.9	—	0.2	4	—
Building products	12	4.8	2.6	0.8	95	39
Furniture	6	1.8	0.8	0.6	38	—
Plastic products	12	5.4	2.0	0.9	66	17
Clothing and allied industries	5	1.9	0.7	0.5	112	—
Miscellaneous manufacturing	23	8.7	4.2	1.7	219	26
Total by Industry Group	180	291.8	150.4	14.0	1,884	698
Refinancing of LILA[1]	69	6.0	6.0	—	—	—
Total	249	297.8	156.4	14.0	1,884	698

[1] During 1986/87 certain LILA loans that came due for repayment were refinanced with direct funds.

Source: British Columbia Development Corporation.

At March 31, 1987, the total loan portfolio was approximately $236 million. This amount represents direct loans issued and outstanding of $148 million, loans under the LILA program of $33 million and loans of $55 million related to other special programs.

The Land and Projects Division administers an extensive portfolio of industrial land projects. The division has recently completed construction of the British Columbia Film Centre in Burnaby, which includes three sound stages, an effects stage and production offices. Also, Westminster Quay, the waterfront redevelopment project in New Westminster, is in its final stage of development. In addition to these special projects, the corporation has industrial land holdings of more than 3,700 hectares throughout the province suitable for industrial building sites. British Columbia Enterprise Corporation will administer the industrial land holdings.

A summary income statement for the corporation is provided in Table 4.9.

Table 4.9
British Columbia Development Corporation Summary Income Statement

Fiscal year ended March 31.	1986	1987	Change 1986–1987
	($ thousands)		(per cent)
Revenue—Industrial development programs			
Land and development project sales	5,141	17,140	233.4
Loan interest and guarantee fees	7,838	16,563	111.3
Lease financing	648	623	-3.9
Other	2,772	3,946	42.4
Total	16,399	38,272	133.4
Expenses	34,118	52,516	53.9
Provision for write-down of land and development projects	7,186	18,831	162.1
Provision for losses on loans	2,473	47,253	1,810.8
Net loss for the year	27,378	80,328	193.4

Source: British Columbia Development Corporation.

Expo 86

Expo 86 Corporation was responsible for planning, developing and hosting the 1986 World Exposition on Transportation and Communications held in Vancouver from May 2 to October 13, 1986. Located on two sites totalling 70 hectares adjacent to downtown Vancouver, Expo 86 contained 64 major pavilions, including those of 54 countries.

Expo 86 was highly successful with attendance of 22 million surpassing the original forecast by almost 9 million. The province enjoyed significant benefits from the fair (see Topic Box Chapter 1).

Permanent legacies include the British Columbia Pavilion complex, the Expo Centre, the historic Roundhouse, extensive foreshore and landscaping development and Canada Place, a trade and convention centre which was constructed as the Canadian pavilion on Burrard Inlet.

Of the estimated $1.5 billion spent on building, operating and later dismantling Expo 86, the corporation's share was $706 million. Expo 86 Corporation incurred a deficit of $337 million, which was met from lottery revenues. The corporation was wound up on June 30, 1987.

British Columbia Steamship Company

British Columbia Steamship Company (1975) Ltd., incorporated under federal legislation, operates the steamship "Princess Marguerite" on a daily round-trip basis between Seattle, Washington, and Victoria, British Columbia. The "Princess Marguerite" is licenced to carry 50 vehicles and 1,800 passengers.

In 1986, the company reported a net loss of $1.1 million compared to a net loss of $610,000 in 1985. Although the number of foot passengers carried declined from 300,000 passengers in 1985 to approximately 225,000 in 1986, automobile traffic increased from 15,000 vehicles to 16,000.

Responding to this trend of a shift from day passengers to long-term visitors, the company, in 1987, introduced a second vessel on the same route. The "Vancouver Island Princess," purchased from British Columbia Ferry Corporation, is capable of carrying 140 vehicles and 1,000 passengers. The vessel underwent a major refit and additional terminal facilities were constructed in Victoria and Seattle to accommodate the vessel. Purchase, refit and terminal construction costs are estimated at $13.2 million.

The company has also introduced casino areas on both the "Princess Marguerite" and the "Vancouver Island Princess". This is expected to attract new interest in the Victoria-Seattle service and generate additional on-board revenue.

British Columbia Housing Management Commission

In 1986, British Columbia Housing Management Commission was responsible for managing 7,776 subsidized rental units; the subsidies reduce rents to 30 per cent of tenants' incomes. Similar rent supplements are available for 12,665 non-profit and designated private sector housing units, including 683 units for physically and mentally disabled persons.

The province contributed $14 million to the commission in 1986 and the Canada Mortgage and Housing Corporation contributed $20.3 million.

Provincial Rental Housing Corporation

The Provincial Rental Housing Corporation, acquired by the government in 1973 and incorporated under the *Company Act*, holds all public rental housing on behalf of the provincial government. At December 31, 1986, the corporation, which is self-supporting, had a net investment of $73 million in these rental properties.

British Columbia Buildings Corporation

British Columbia Buildings Corporation is a Crown corporation established in 1976 to bring strict accountability to the provision and allocation of government accommodation. The corporation is self-supporting, raising operating funds by charging rent to government ministries based on equivalent rates in the commercial marketplace.

Net income of the corporation in 1986/87 was $5.3 million, compared to $3.2 million in the previous year. Net income increased as a result of an increase in occupancy revenue and a decrease in interest costs. On March 31, 1987, the corporation's share of British Columbia Place, along with $205 million in associated debt, was transferred to the government. The corporation will compensate the government for the ongoing cost of servicing this debt.

The corporation's income statement is presented in Table 4.10.

Table 4.10

British Columbia Buildings Corporation Summary Income Statement

Fiscal year ended March 31.	1986	1987	Change 1986–1987
	($ millions)		(per cent)
Revenue			
Rentals	215.5	222.5	3.2
Other income	19.1	17.4	-8.9
	234.6	239.9	2.3
Expenses			
Property management	57.2	62.5	9.3
Leases	45.5	47.6	4.6
Depreciation and amortization	26.5	28.5	7.5
Utilities	16.2	14.4	-11.1
Property taxes and grants	11.2	11.6	3.6
General and administrative	8.9	8.8	-1.1
	165.5	173.4	4.8
Net income before interest	69.1	66.5	-3.8
Interest	65.9	61.2	-7.1
Net income	3.2	5.3	65.6

Source: British Columbia Buildings Corporation.

British Columbia Systems Corporation

British Columbia Systems Corporation, established in 1977, provides computer services to publicly funded organizations in British Columbia. The services include shared computer processing services, data communications network services, and professional services.

Approximately 95 per cent of the corporation's revenues are received from provincial government ministries, with the balance from other government entities for which it provides data processing services.

To achieve more competitive pricing, the corporation made a general price reduction of approximately 20 per cent on April 1, 1986, and a 30 per cent reduction in the cost of its primary shared processing services on May 1, 1987. British Columbia Systems Corporation reported net income of $2.7 million in 1986/87, equal to the result for 1985/86.

British Columbia School Districts Capital Financing Authority

As the marketing agency for the capital funding requirements of school districts, this authority raised $42.7 million in the 1986/87 fiscal year. The net debt outstanding at March 31, 1987 was $1,097.4 million.

British Columbia Regional Hospital Districts Financing Authority

As the marketing agency for the capital funding requirements of regional hospital districts, this authority raised $50.0 million in the 1986/87 fiscal year. The net debt outstanding at March 31, 1987 was $789.3 million.

British Columbia Educational Institutions Capital Financing Authority

The authority is the marketing agency for the capital funding requirements of universities, colleges and provincial institutes. Borrowing of $19.6 million was undertaken in the 1986/87 fiscal year. The net debt outstanding at March 31, 1987 was $390.1 million.

Liquor Distribution Branch

The Liquor Distribution Branch purchases, distributes and merchandises alcohol beverage products in British Columbia in accordance with the *Liquor Distribution Act*. The Branch's corporate objectives are to provide a high level of customer service, generate revenue for the government, provide suppliers with equal access to the marketplace, and encourage responsibility in the use of alcohol.

During 1986/87, the Branch opened one new store, closed one store, renovated five stores, replaced 11 stores, opened 19 new rural agency stores and closed two. At March 31, 1987, there were 215 government liquor stores, 119 rural agency stores (outlets in remote communities, located in premises that may also sell non-alcoholic products), and 44 industry agency stores (where manufacturers can sell their own products on their premises). In addition, the Branch has financial agreements with 56 licensee retail stores.

Net income of the Branch increased 7.1 per cent from the previous year to $425.3 million. A summary income statement is presented in Table 4.11.

Table 4.11

Liquor Distribution Branch Summary Income Statement

Fiscal year ended March 31.	1986	1987	Change 1986–1987
	($ millions)		(per cent)
Sales	936.6	964.4	3.0
Cost of merchandise sold	497.4	508.3	2.2
	439.2	456.1	3.8
Provincial malt levy[1]	62.6	81.6	30.4
	501.8	537.7	7.2
Operating expenses	106.8	115.3	8.0
	395.0	422.4	6.9
Other income	2.1	2.9	38.1
Net income	397.1	425.3	7.1

[1] The provincial malt levy represents the margin on sales made directly to licensed establishments, licensee retail stores, and agency stores by authorized brewers' agents on behalf of the Liquor Distribution Branch. It also includes the margin on sales by public houses authorized to brew and market their own beer.

Source: Liquor Distribution Branch

British Columbia Lottery Corporation

The British Columbia Lottery Corporation was established April 1, 1985 to assume responsibility for the conduct and management of lottery games within British Columbia, and to cooperate with other provinces in the conduct and marketing of nation-wide games. As well, the corporation is the sole distributor of bingo paper within the province. The corporation, which has its headquarters in Kamloops, employs over 300 persons throughout the province.

The corporation currently offers seven lottery games: the Pacific Express, Lotto BC, LottoWest The Pick, and Instant Lottery games which are all conducted solely by the corporation in British Columbia. The Provincial, Super Loto, and Lotto 6/49 lottery games are joint undertakings by all provinces acting through the Interprovincial Lottery Corporation. The corporation's products are made available to the public through a network of licenced retailers throughout British Columbia.

Operations and Capital Expenditures

Net income for 1986/87 was $167.8 million, 48.2 per cent higher than in 1985/86. Details of operating results are given in Table 4.12.

The corporation purchased fixed assets totalling $7.0 million in 1986/87: $2.1 million for 300 additional point-of-sale terminals, $1.1 million for computer hardware, $1.4 million for leasehold improvements and $2.4 million for computerized retailer signs and fixtures.

Table 4.12

British Columbia Lottery Corporation Summary Income Statement

Fiscal year ended March 31.	1986	1987	Change 1986–1987
	($ millions)		(per cent)
Sales	330.1	444.9	34.8
Direct expenses			
Prizes	150.8	204.0	35.3
Retailer commissions	18.7	24.7	32.1
Sales less direct expenses	160.6	216.2	34.6
Operating expenses	38.8	37.8	- 2.6
Depreciation	8.6	10.6	23.3
	47.4	48.4	2.1
Net income	113.2	167.8	48.2
Distribution of net income			
Government of Canada	9.1	8.3	- 8.8
Province of British Columbia	104.1	159.5	53.2
	113.2	167.8	48.2

Source: British Columbia Lottery Corporation

Provincial Capital Commission

Since its origin in 1956, the Commission has expended or committed in excess of $8 million on improvement projects in cooperation with the municipalities of Victoria, Esquimalt, Saanich, Oak Bay, Sidney, North Saanich and Central Saanich.

Of the 92 projects undertaken over the past 30 years, 28 have involved the Victoria Inner Harbour where investment has exceeded $3.75 million. Other projects of note include involvement with major parts of the Scenic Drive, the Gorge Waterway, Bowker Creek, the Colquitz River Park and Beacon Hill Park.

Major ongoing responsibilities include operation of the Crystal Garden and St. Ann's Academy in Victoria.

5

PROVINCIAL PROGRAMS FOR PEOPLE

5. Provincial Programs for People

Introduction

The provincial government provides a wide range of social services, including programs for health, education, income assistance, housing, justice, recreation and culture.

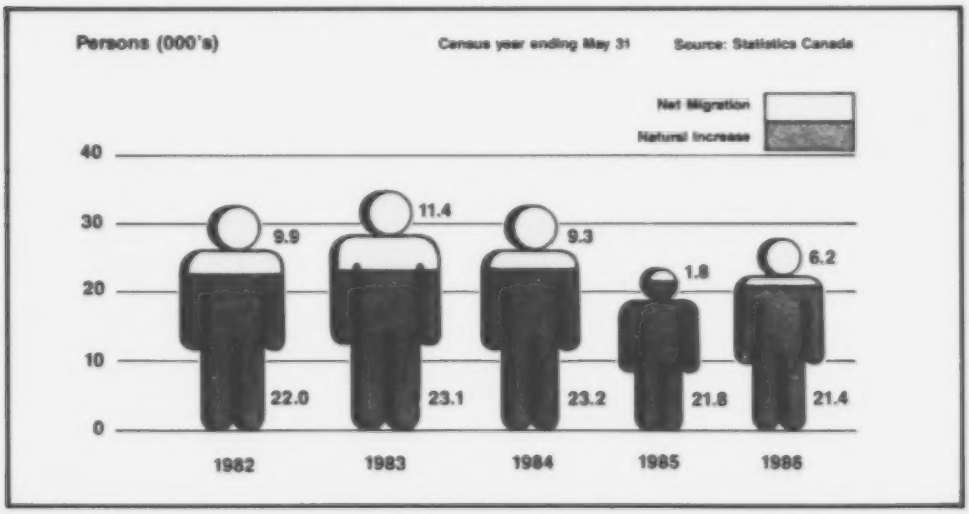
The scope of government programs is strongly influenced by changes in the size and age structure of the population.

The People of British Columbia

British Columbia's population on January 1, 1987, was an estimated 2,926,300. (This population estimate is based on the 1981 Census. Revisions to previously published data, based on the 1986 Census, will be released in the fall of 1987.)

Traditionally, British Columbia has experienced population growth well above the national average. The province's population grew at an average annual compound rate of 1.6 per cent between 1976 and 1986, compared to a 1.1 per cent annual compound rate for Canada. As a result, the province's share of national population increased from 10.7 per cent in 1976 to 11.4 per cent in 1986.

Chart 5.1 Components of British Columbia Population Change



Migration

Migration and natural increase (births minus deaths) influence population growth in British Columbia in approximately equal proportions. Over the 1976 to 1986 period, migration accounted for 52 per cent of the total population growth, with natural increase contributing 48 per cent. As seen in Chart 5.1, there have been significant variations in the relative importance year by year, with natural increase relatively more important in recent years.

Interprovincial migration, rather than international migration, tends to dominate the migration component, accounting for approximately 59 per cent of the net population change through migration over the 1976 to 1986 period. During 1986, a net inflow of 1,221 persons from the rest of Canada was recorded.

This net inflow was mostly from other western provinces where employment conditions have worsened due to weak oil prices, while residents leaving British Columbia went to Central Canada, where unemployment rates are the lowest in the country. British Columbia's popularity as a retirement destination tends to produce a stable net inflow of older migrants from other provinces.

Net international migration has declined in recent years, falling to 4,964 during 1986 from a high of approximately 19,000 in 1980. The combined effect of the international and interprovincial migration was a net inflow of 6,185 people during 1986.

Natural increase was slightly lower in 1986 than in 1985. Births increased from 43,127 during 1985 to 43,738 in 1986. Deaths also increased from 21,302 in 1985 to 22,380 in 1986.

Demographic Structure

Changes in birth rates over the past twenty-five years have had an important impact on the demographic structure of the province. Much of the variation in the number of persons in each age group is directly attributable to the effects of the post-war baby boom; that is, of the population born between 1946 and 1959.

In British Columbia, as in the rest of Canada, the average age of the population has risen steadily over the last two decades. Between 1961 and 1986, the group aged 65 and over increased from 10.0 per cent to 12.2 per cent of the population. In comparison, people aged 65 and over accounted for 10.7 per cent of Canada's population in 1986. In 1986, the group aged 20 to 34 in British Columbia comprised an estimated 25.7 per cent of the population. By contrast, in 1961 the same age group comprised only 20.3 per cent of the population. During the same period, the percentage of persons aged 5 to 14 fell from 19.8 per cent to 13.1 per cent of the province's population.

This aging of the population has also affected the labour force composition by age. In 1976, 26.1 per cent of the labour force was in the 15 to 24 age group compared with only 21.2 per cent in 1986 (see Table 5.1).

Table 5.1

British Columbia Labour Force by Age

Age Group	1976		1986	
	(000)	(per cent)	(000)	(per cent)
15–19	128	11.5	120	8.2
20–24	163	14.6	189	13.0
25–44	506	45.3	764	52.4
45–64	302	27.0	364	25.0
65 and over	18	1.6	20	1.4
Total	1,117	100.0	1,457	100.0

Source: Statistics Canada

Population projections show that the size of the 15 to 24 age group will decline further relative to the older age groups over the next 15 years. This reflects the aging of the baby-boom generation and a decline in fertility rates in the 1960s and 1970s. The increasing age of the labour force implies increasing experience and skill levels.

Another widely noted factor in labour force growth in recent years has been the increase in the number of women in the job market. Over the last 20 years the female participation rate (the percentage of women of labour force age who are in the labour force) in British Columbia has risen from 34.5 per cent to 54.6 per cent and is expected to increase further. Male participation rates decreased from 79.1 per cent to 76.0 per cent over the same period, while the overall participation rate increased from 56.7 per cent to 65.1 per cent. In some respects, the rapid growth of the service sector (which employs proportionately more women than the goods-producing sector) can be attributed to the availability of a flexible and skilled female work force.

Educational Attainment of Labour Force

The key to developing a skilled work force is education, whether it takes place in institutions or through job-training. In 1986, 40.2 per cent of the labour force had attended a post-secondary educational institutional compared to 34.2 per cent in 1976 (see Table 5.2).

Table 5.2

British Columbia Labour Force by Level of Education

Level of Education	1976		1986	
	(000)	(per cent)	(000)	(per cent)
0–8 years	133	11.9	93	6.4
Some high school	602	53.9	779	53.4
Some post secondary	133	11.9	202	13.9
Post-secondary, Certificate or Diploma	137	12.3	179	12.3
University Degree	112	10.0	204	14.0
Total	1,117	100.0	1,457	100.0

Source: Statistics Canada

Service Demand

The post-World War II baby boom has significantly affected the demands for public services as the baby boomers have grown up. In the 1960s and early 1970s, they put pressure first on the schools, and then on post-secondary educational institutions. When the baby boom group entered the labour force, the demand for additional educational facilities slackened, but the requirement for manpower planning and job training and retraining increased. As the baby boom group ages, we can expect increased demand for health services and, eventually, for long term care.

Health Programs

The total expenditure on the province's health programs during 1986/87 was $3.5 billion. With the exception of subscriber's premiums for the Medical Services Plan, funding for health programs is provided almost entirely by direct provincial government contributions. The province receives federal transfer payments for health and post-secondary education which cover only a portion of the costs.

Hospital Programs

The provincial government spent approximately $1.5 billion on hospitals during 1986/87, including $85 million for construction and renovation, and $33 million for equipment.

New extended care beds were opened at Matsqui-Sumas-Abbotsford General Hospital, Kelowna General Hospital, and Saanich Peninsula Hospital, and a new extended care facility was completed at 100 Mile House.

Also opened during 1986/87 were a psychiatric unit at Royal Inland Hospital in Kamloops, diagnostic and treatment centres in Valemount and Whistler, a health centre in New Aiyansh and a CAT scanner at Burnaby Hospital.

Operating funds of approximately $1.4 billion supported 11,158 beds and 1,348 bassinets in the province's 99 acute care hospitals, three holding beds in each of six Red Cross Outpost hospitals, 415 beds in five rehabilitation care hospitals, 7,274 beds in 90 extended care hospitals and units, and 15 diagnostic and treatment centres.

During 1986/87, approximately 430,000 acute/rehabilitation patients were admitted to the province's hospitals; the average stay was 7.6 days. Acute/rehabilitation patients received a total of 3.5 million days of care, while extended care patients received 2.5 million days of care.

Out-patient services are one important way of controlling hospital costs. Day care surgery accounted for 45 per cent of the 332,000 surgery visits. Other out-patient services included: 1,292,008 emergency and short stay surgery visits, 40,535 kidney dialysis visits, 115,267 psychiatric care visits, and 673,392 physiotherapy visits.

Medical Services

The Medical Services Plan offers comprehensive medical care insurance coverage, as well as coverage of certain in-hospital oral surgery procedures and specified services provided by non-physician providers of health care.

HEALTH CARE COSTS

In addition to a high-quality acute care hospital system, British Columbia has one of Canada's best long term care systems, an extensive home care system, and offers the broadest range of supplementary medical benefits of any province. In 1987/88, more than 30 per cent of the provincial budget is targeted to health care. This translates into an average of $1,080 for each British Columbian.

Here is how the main components of health spending have grown over the last five years:

	Five Year Spending Growth
Acute Care Hospitals	38%
Long Term Care Facilities	32%
Physician Fee-for-Service Payments	57%
Payments to Supplementary Benefits Practitioners*	85%
Pharmacare	142%

* Chiropractors, massage therapists, naturopaths, optometrists, orthodontists, physiotherapists and podiatrists

The total increase for all health care spending over the last five years is $1,094 million, or 46 per cent.

Some of the reasons for this growth are: higher public expectations of the health care system; new technology; higher costs of imported medical goods; increased prevalence of expensive-to-treat diseases like cancer, heart disease and AIDS; and demographic changes, principally the aging of the population.

Also contributing to the substantial cost of health care is the relatively high number of doctors per thousand population. Studies have shown a direct relationship between the supply of doctors and the consumption of medical services. To help control the number and improve the distribution of doctors in British Columbia the provincial government passed legislation in May 1985 which limits the number of doctors permitted to bill the provincial medical plan.

In addition, the government has implemented health cost-sharing measures including a $5 visit fee for those using the services of supplementary benefit practitioners, a 75 per cent co-payment of Pharmacare dispensing fees by seniors, and an increase in the Pharmacare universal plan deductible to $275 from $200.

Federal policies present some obstacles to cost control. The *Canada Health Act* constrains provincial freedom to act by imposing financial penalties to discourage provincial user fees. In addition, proposed changes to the federal *Patent Act* restricting the licensing of generic drugs will result in even higher drug costs.

Ensuring the continued delivery of high-quality health care to all British Columbians will require the cooperation of government, health care practitioners and the public.

The government's responsibilities are to manage the system efficiently, to seek out new revenues where appropriate and equitable, to find better ways to deliver services, and to gain the cooperation and commitment of health care professionals and the public.

Doctors and other primary health care practitioners, as the entry point to the health care system, play a critical role in keeping the health care system financially viable. They are the patient's first contact with an extensive and expensive system. Practitioners prescribe treatment, and in doing so determine the cost which the taxpayer will be required to bear.

Cooperation by the individual is important too. Personal responsibility for one's own good health through sensible lifestyle will not only benefit the individual directly but also result in significant savings for the health care system. For example, if British Columbians required an average of one less visit to the doctor each year, the provincial government would save $55 million, enough to fund current organ transplantation, kidney dialysis and care for the handicapped.

Medical Services Plan expenditures during 1986/87 were $995 million. Subscriber premiums provided approximately 38 per cent of revenue with the balance provided by the provincial government including premium assistance for low-income individuals. Premium assistance is available in the form of a 95 per cent subsidy to eligible subscribers whose taxable income in the previous year and estimated taxable income in the current year is less than $2500. A 55 per cent subsidy is available to those with taxable incomes between $2500 and $3500.

Payments were distributed as follows:

- claims by physicians and surgeons: $846 million;
- claims by other health care providers including chiropractors, podiatrists, physiotherapists, massage practitioners, naturopaths, dentists and optometrists: $68 million;
- salaried and sessional physicians: $50 million;
- physicians' education and disability fund: $4 million; and,
- administration: $27 million.

Over 99 per cent of British Columbians are covered by pre-paid medical insurance while the federal government provides coverage for some other residents, such as Armed Forces personnel. As of March 31, 1987, the Medical Services Plan covered more than 1.4 million subscribers with approximately 1.5 million dependents.

Continuing Care Program

The Continuing Care Program helps persons with long-term health-related problems requiring supportive care. Services include:

- Long term care facilities: residential care for physically and mentally infirm persons who can no longer function independently;
- Home Nursing Program: comprehensive care by experienced registered nurses to assist patients of all ages to remain in their own homes during an illness;
- Community Physiotherapy Program: direct treatment as well as consultative and preventive services;
- Homemaker Services: help for elderly and young handicapped individuals who cannot live independently; a specialized homemaker respite service offers relief to family care-givers who provide 24 hour care for disabled family members;
- Adult Day Care Program: personal assistance and supervision in a protective group setting for adults with physical and mental handicaps; and,
- Group Homes for the Handicapped.

During 1986/87, Continuing Care Program expenditures were $302 million, including $209 million for long term care, $51 million for homemaker services and $21 million for home care nursing. Approximately 10,735 patients resided in 145

long term care facilities operated by non-profit societies and 5,929 patients resided in 288 facilities operated by proprietary organizations. More than 30,000 patients received a monthly average of 13.2 hours of homemaker services and about 35,000 patients received 700,000 home care nursing visits.

Pharmacare Program

This program provides prescription products at reduced cost to senior citizens, and at no charge to residents of long term care facilities and income assistance recipients. The program also reimburses all other British Columbians for 80 per cent of eligible drug expenses above $200 in a year ($275 effective April 1, 1987). Expenditures for this program were $161 million during 1986/87.

Community Care Services

Community Care Services include behavioural health care services including mental health services, alcohol and drug programs and court-related psychiatric services, as well as services to the handicapped and maintenance of the vital statistics registries.

Mental Health Services

During 1986/87, $117 million was spent on the care and treatment of mentally ill and seriously emotionally disturbed patients. Facilities included Riverview Hospital, a 1,300 bed institution with 1,170 patients, which provided 425,540 days of patient care during 1986/87, and mental health centres in 31 locations, which provided services to 18,806 out-patients. Also, the Residential Care Program funded 1,758 beds in private and non-profit community facilities, as well as 152 family care beds in private homes.

Alcohol and Drug Programs

Alcohol and Drug Programs received $22 million in 1986/87 for prevention, education, treatment and rehabilitation related to alcohol and drug abuse. Seven detoxification centres focus on the initial rehabilitation phase, 42 out-patient clinics provide counselling and treatment in 37 communities and 11 supportive recovery homes provide special treatment programs for patients requiring more intensive treatment.

Forensic Psychiatric Services Commission

The Forensic Psychiatric Services Commission provides consulting and assessment services to the courts and treatment to mentally disordered persons referred by court order. The Commission operates the Forensic Psychiatric Institute, a 121-bed secure facility, the Maples Adolescent Treatment Centre, a 69-bed facility for mentally ill adolescents, and an in-patient assessment unit for youths requiring assessment under the *Young Offenders Act*. During 1986/87, $17 million was budgeted for forensic psychiatric services.

Services to the Handicapped

This division was established to develop alternatives to institutional care for severely handicapped children and adults. Emphasis is on community placement of mentally handicapped persons. The division also operates Glendale Lodge, a 325-bed facility for severely physically and mentally handicapped persons. During 1986/87, $22 million was allocated under this program.

Preventive Services

This program promotes lifestyle and health care practices that will help to eliminate or minimize illness and disease. This is carried out through the activities of the public health nursing, fitness, nutrition, dental health, and speech and

hearing branches, health education and immunization programs, public health inspections and the British Columbia Centre for Disease Control, at a cost of $66 million in 1986/87.

The British Columbia Centre for Disease Control coordinates health services for the control of sexually transmitted diseases and the control of tuberculosis, the kidney dialysis service, and health services for provincial government employees. It also manages provincial public health laboratories.

Emergency Health Services

In 1986/87, Emergency Health Services operated 361 ambulances and provided over 240,000 ground ambulance trips, and approximately 5,500 air ambulance trips, at a total cost of $54.4 million.

The School System

The British Columbia public school system encompasses all grades from kindergarten to grade 12, with free tuition. Kindergarten is available for children five years old in most school districts but is not compulsory. Public school attendance, or a satisfactory alternative, is compulsory for children between seven and fifteen years of age. The length of the school term normally is between 195 and 200 days per year.

The Ministry of Education provides overall management of the school system, while direct administration is provided by local boards of trustees in the province's 75 school districts. There are 1,506 public schools in the province, including 1,137 elementary schools, 97 combination elementary/secondary schools and 272 secondary schools with approximately 486,000 pupils.

Public School Funding

Funding for public schools in British Columbia comes from three major sources: provincial contributions, non-residential property taxes collected by the provincial government on a province-wide basis and redistributed to school districts, and residential property taxes collected by school districts. The provincial government sets a framework for the school system designed to ensure a basic equality in school programs across the province. This framework, which includes program standards and cost factors, defines what is called the "shareable budget". The provincial government's share varies from district to district but averages about 75 per cent.

Provincial contributions totalled $1.62 billion in 1986/87 as follows:

- contributions to school district operating budgets of $1,113 million including the non-residential property tax levy;
- contributions for the provincial share of interest and sinking fund charges for capital construction projects and equipment purchases for schools of $111 million;
- contributions, on behalf of all school districts, to cover the employer's contribution to the Teachers' Pension Fund and the employer's portion of medical and dental expenses for retired teachers totalling $108 million;

- grants to homeowners totalling $280 million to reduce residential property taxes levied directly by school districts; and,
- grants to school districts totalling $12 million for special projects related to computer technology acquisition, teacher training, program effectiveness and equipment acquisition.

School districts raised an additional $206 million (net of provincial government homeowner grants) through residential property taxation.

Independent Schools

The provincial government provided $29 million during 1986/87 to 179 independent schools with approximately 27,500 pupils.

Universities

There are three publicly funded universities in British Columbia — the University of British Columbia located in Vancouver, the University of Victoria located in Victoria and Simon Fraser University located in Burnaby. These universities offer a wide range of courses in undergraduate, graduate and professional programs. They conduct basic and applied research and contribute to the cultural development of the province. Approximately 35,000 full-time and 15,600 part-time students were enrolled during the fall of 1986. Funding for universities is provided by the provincial government (approximately 80 per cent of the total), tuition fees (18 per cent) and other revenue (2 per cent).

During 1986/87, the provincial government contributed $336 million to the university system in British Columbia.

Colleges and Institutes

British Columbia also has an extensive system of non-university post-secondary education providing academic, technical, vocational, career and adult basic education programs through 15 community colleges located throughout the province and through four institutes, including the Open Learning Institute, which provides long-distance education for students unable to attend other institutions. During 1986/87, there were approximately 35,000 full-time and 35,000 part-time students attending these centres.

Funding for colleges and institutes is provided by the provincial government (approximately 84 per cent of total), tuition fees (13 per cent) and other revenue (3 per cent).

During 1986/87, the provincial government provided approximately $320 million to community colleges and institutes.

Student Assistance

Students attending post-secondary institutions are eligible for a variety of programs, depending on the degree of need.

Loans are available from the federal government but the province will repay on behalf of the student any loans above a total of $12,000 for a first degree or diploma and above $16,000 for a second degree, provided the student successfully completes a program.

In addition, the province will provide a combination of loans and grants of up to $5,800 for a single student and $7,200 for a student with dependents in the first two years of a program leading to a degree or diploma, providing the student demonstrates a personal commitment through paid or volunteer work.

Other special assistance programs are available, including support for persons undertaking adult basic education and funds of up to $500 to cover travel costs for needy students.

Furthermore, a number of scholarships are awarded for outstanding performance, such as the Premier's Excellence Awards of $5,000 for the top Grade 12 student in each college region who subsequently enrols in a British Columbia post-secondary institution.

Social Services Programs

The Ministry of Social Services and Housing delivers a wide range of social services and income security programs to assist the elderly, the handicapped and people requiring income assistance or social support.

Income Assistance

Income assistance is provided to eligible British Columbia residents between the ages of 19 and 64 who cannot provide the necessities of life for themselves and their dependents. The program also provides an assured minimum income for eligible handicapped persons and senior citizens. In March 1987, income assistance was provided to 142,333 persons, and to their 105,382 dependents. The total cost of income assistance in the 1986/87 fiscal year was approximately $858 million, down $25 million from the previous year largely because of an improved economy and higher employment.

Family and Children's Services

The Ministry of Social Services and Housing provides services for families and children including adoption services, child protection, foster care and family support, such as homemakers, to help care for children. In 1986/87, expenditure totalled $103 million.

Rehabilitation and Support Services

In 1986/87, the Ministry of Social Services and Housing allocated $151 million for rehabilitation and support services including residential care, self-help skills, training and achievement centres for mentally handicapped adults, subsidized and special needs day care, infant development programs and a range of job preparation programs for income assistance recipients.

Under the Community Projects Funding Program, the ministry contributed $5 million to non-profit societies that provide social services which complement ministry programs in local communities and allocated $45 million for community residential care for the handicapped.

Expenditure for special programs for the retarded, which includes Glendale, Alder Lodge and Woodlands institutions, totalled $59 million.

PROGRAMS FOR THE DISABLED

Disabled persons are eager to play a productive role in the community and to become as independent as possible.

Persons may be disabled mentally or physically as a result of congenital factors, accidents, stresses or illnesses, including mental illness, mental retardation or physical disabilities.

In the 1987 Budget, the provincial government provided $544 million for programs for the disabled, up $47 million from 1986.

	$ millions
Training and Job Programs	20
Schooling	110
Income Support	105
Therapy and Residential Services	309
	544

Training and Job Programs

This is the fastest growing program area for the disabled, with a budget up more than 25 per cent over the previous year. This increase reflects the government's commitment to respond to the increasing numbers of disabled persons leaving schools and institutions with the desire and the capability to establish careers. More than 12,300 persons will be helped in 1987/88.

Training and employment programs include wage subsidies to encourage private sector employers to hire and train disabled persons, sheltered employment in achievement centres, academic and skills upgrading at community colleges and other training centres, and counselling and assessment to help disabled persons develop employment goals and plans to achieve them.

Several new approaches are being tried. One example is the use of job coaches who will help disabled persons in the work place, initially on a full time basis and then phasing out as the disabled person learns the job. This approach should enable more disabled persons to make the transition to work and to also make it easier for employers to hire disabled workers.

The government is placing high priority on services to ensure access to post-secondary education, training and job preparation, to support people in their jobs and to help employers in creating jobs.

Schooling for the Disabled

The Ministry of Education provides grants to public and private schools for the extra services required by disabled students in kindergarten through grade 12. Grants totalling $110 million will be provided in 1987/88.

Income Support

Provincial income support for more than 15,000 disabled persons is provided through GAIN for the handicapped, administered by the Ministry of Social Services and Housing. In 1987/88 the projected cost is $105 million.

Therapy and Residential Services

A broad range of therapy and residential services funded by the Ministries of Health and Social Services and Housing helps more than 23,000 disabled persons to live as independently as possible. The primary emphasis is on supporting the individual and the family in the community. Group homes supported by a full range of community services, for example, offer a much better living arrangement for many mentally disabled adults than institutional care.

Special Initiatives

In addition to these ongoing programs for the disabled, the province contributed $5.4 million to the Rick Hansen campaign, matching the total of other donations from British Columbians. The province wished to acknowledge the successful completion of this worthwhile campaign in support of spinal cord research, a campaign that also highlighted the efforts of disabled persons to achieve self-confidence and independence.

Services for Seniors

The provincial government provides a variety of programs for senior citizens to support and enhance their independence, well-being and health.

The SAFER (Shelter Aid For Elderly Renters) program provides renters aged 65 and over with monthly shelter aid payments equal to 75 per cent of the amount by which their rent exceeds 30 per cent of income, to a maximum eligible monthly amount of $330 for a single person and $365 for a couple. In March 1987, 8,997 persons qualified for SAFER benefits. Expenditure on the program was $7 million in the 1986/87 fiscal year.

The GAIN for seniors supplement provides a guaranteed minimum income to those seniors in receipt of the federal government's old age security, guaranteed income supplement and spouse's allowance. There were 44,547 program recipients as of March 1987 and expenditure in 1986/87 was $16 million.

Another program provides subsidized bus passes to aid and encourage the mobility of eligible low income senior citizens and recipients of GAIN handicapped benefits. Total program expenditure for 1986/87 was $6 million.

To help with shelter needs, approximately $1.5 million was paid to non-profit societies to assist in the construction of housing for seniors, and the Land Tax Deferment Program (see page 77) enabled elderly citizens, widows, widowers and certain handicapped persons to defer property taxes on their ordinary place of residence. Also, the Pharmacare program, described on page 71, eases the burden of prescription drug costs.

Housing and Land Development

The Ministry of Forests and Lands, through regional offices throughout the province, is responsible for the acquisition, administration and disposition of Crown land.

The Ministry of Social Services and Housing administers several mortgage assistance programs and helps provide housing for senior citizens, families and disabled persons through the Non-Profit and Special Purpose Housing programs.

Provincial Home Acquisition Account (1967)

This special account provides funds for loans issued under the Home Purchase Assistance and Rental Conversion Loan Programs.

The Home Purchase Assistance Program offers second mortgages of up to $10,000 to eligible purchasers of new or used homes with values within prescribed price limits. In 1986/87, 7,600 mortgages were issued totalling $71 million.

The Rental Conversion Loan Program was established to provide first and second mortgages of up to $25,000 per new unit when single family homes, industrial buildings or commercial property are converted to rental accommodation. In 1986/87, four loans totalling $775,000 were issued to create 31 new rental units.

During 1986-87, the Provincial Home Acquisition Account earned interest of $30 million. Total expenses of the account were $6 million. As of March 31, 1987, the account balance was $278 million in mortgages and $133 million in cash and temporary investments. Mortgages issued from 1967 to date are shown in Table 5.3.

Table 5.3
Provincial Home Acquisition Account

	Number	Value
		($ millions)
Second mortgage loans	149,835	756.2
Home acquisition grants	191,345	189.4
Leasehold and conversion mortgages	1,037	30.6
Total	342,217	976.2

Crown Land Account (1979)

This special account provides recoverable financing for the acquisition, servicing and development of land for residential, recreational, agricultural and commercial purposes. The account also provides for non-recoverable expenditures for park land, social housing sites and ecological reserves and for operating costs in support of Crown land and residential land development programs.

Non-Profit Program

In 1986-87, 1,610 units of non-profit social housing were committed under new federal-provincial housing agreements: 1,013 units for seniors, 423 for families, and 174 for the disabled. Annual provincial subsidies for these units, when completed, are estimated at $2.6 million.

Special Purpose Housing

In cooperation with the Ministry of Health and the Ministry of Social Services and Housing, the British Columbia Housing Management Commission approved 111 beds in non-profit housing, in group homes and in larger facilities for mentally and physically disabled clients. The estimated annual expenditure by the Commission on these units is $163,000.

Land Tax Deferment Program

The Land Tax Deferment Program allows eligible taxpayers (aged 65 and over, widows or widowers, or handicapped persons as defined by the GAIN program) to defer the payment of property taxes on their ordinary place of residence. At the end of 1986 there were 2,695 persons benefiting from this program. Annual interest charged on deferred taxes is currently 7.75 per cent. Under a legislative amendment passed in 1986 this rate may be adjusted every six months but is not to exceed the prime rate less 2 per cent.

Labour Programs

The Ministry of Labour and Consumer Services provides various services to foster harmonious labour relations. As well, the Ministry of Advanced Education and Job Training develops and administers job training and employment programs.

JOBTRAC

JobTrac brings together provincial employment and training programs. In its first year, 1986/87, JobTrac programs totalling $43 million provided 12,000 British Columbians with jobs for at least part of the year and assisted another 10,000 through job preparation programs.

For 1987/88, the government is targeting additional resources at putting people into jobs, especially those who have difficulty getting a foothold in the job market: youth, the disabled and the estimated 75,000 employable persons on Income Assistance. From $43 million in 1986/87, JobTrac funding will almost double to $81 million in 1987/88. This funding is estimated to provide 17,000 new jobs for at least part of the year including 7,000 for youth, 5,000 for persons on income assistance and 5,000 for the unemployed and disabled. Also, additional funding has been provided for job preparation services such as job search skills and education and training upgrading.

The Strategy

To get people into worthwhile jobs, the JobTrac program:

- provides a "road map" through federal and provincial programs and helps people find their way to the right program;
- helps people on Income Assistance rejoin the labour market through job preparation, training and work experience programs; and,
- helps youth, unemployed persons, workers needing skills upgrading and the disabled, through work experience programs and rehabilitation services.

1987/88 Programs

JobTrac initiatives will be delivered and administered by various ministries including: Advanced Education and Job Training; Social Services and Housing; Forests and Lands; Environment and Parks; and Tourism, Recreation and Culture. Specific initiatives are:

- Improved Access ($1.4 million) — the Government has simplified access to programs by improving the coordination between various ministries and Employment Canada Offices. A one-stop centre has been opened in Prince George and new centres are planned for Victoria, Kamloops, and Nanaimo. Knowledge Network facilities are also being used to link employers, employment professionals and clients.
- Opportunities to Independence ($12.6 million) — Employables on Income Assistance will receive training in job search skills, work assessment and referral, and educational upgrading.
- Work Experience with Small Businesses ($3.0 million) — Small businesses will be provided wage subsidies to hire and train persons on Income Assistance.
- Forestry JobTrac ($17.0 million) — Persons on Income Assistance will gain work experience by working on silviculture and other forestry projects.
- Environment JobTrac ($2.0 million) — Persons on Income Assistance will be hired by non-profit groups for special parks and habitat conservation projects.
- Community JobTrac ($20.0 million) — Income Assistance recipients will obtain work experience on heritage, recreation or cultural projects run by non-profit groups.
- Challenge 87 ($10.0 million) — Wage subsidies will be provided to small businesses to hire and train young people.
- Vocational Rehabilitation Services ($6.5 million) — disabled persons will receive assessment, job counselling and placement services.
- Other Initiatives ($8.2 million) — Training, upgrading and work experience are provided for unemployed persons, apprentices, recent graduates and women in non-traditional jobs through a number of other programs administered by the Ministry of Advanced Education and Job Training.

Long-term Effect

Besides providing employment and training opportunities for British Columbians, JobTrac is expected to improve the province's economic base. Silviculture projects improve our forests, and heritage projects, under the Community JobTrac, will improve our tourist potential.

Work programs also include a training component to supplement the work experience and to further improve the participants' prospects for long-term employment once the JobTrac project is finished.

Employment Standards

The Employment Standards Branch of the Ministry of Labour and Consumer Services enforces legislation pursuant to the *Employment Standards Act* which regulates conditions of employment including: hours of work, payment of wages, minimum wages, annual holidays, maternity benefits, general vacations and terminations.

The program is delivered by 60 Industrial Relations Officers in 14 offices throughout the province. The branch also provides investigation and mediation services to the Labour Relations Board (now the Industrial Relations Adjudication Division) and investigation and other services to the British Columbia Council of Human Rights.

During 1986/87, employment standards officers conducted more than 17,000 investigations and recovered more than $5.2 million in unpaid wages, vacation pay and severance pay on behalf of employees.

Compensation Advisory Services

Workers' Advisers and Employers' Advisers assist workers and employers in their dealings with the Workers' Compensation Board.

Employers' Advisers provide independent advice, assistance and information to employers, potential employers and employers' associations with respect to workers' compensation legislation, decisions, appeals, policy and related matters.

Workers' Advisers provide advice to injured workers and their dependents about the policies and benefits of the Workers' Compensation Board, as well as assistance in cases involving complex legal and medical issues or important policy questions.

New Industrial Relations Council

The new Industrial Relations Council replaced the Labour Relations Board and Mediation Services Branch when the *Industrial Relations Reform Act* became law in July 1987. The new council is set up to encourage parties to settle disputes on their own but, failing this, has power to take effective action.

The Dispute Resolution Division, which replaced the Mediation Services Branch, assists parties involved in collective bargaining to settle contract disputes. Last year the Mediation Services Branch helped settle 130 labour disputes involving 175 employers and 124,000 employees; 81 per cent of disputes in which mediators were appointed were settled within the year. Additional responsibilities of the new division include monitoring all labour disputes and designating essential services.

The Industrial Relations Adjudication Division is modelled after the Labour Relations Board. The division deals with interpretations of collective agreements under the new *Act*. It can make rulings on legal issues involving bargaining rights, unfair labour practices, strikes and picketing.

The Commissioner of the Industrial Relations Council also monitors all labour disputes and keeps the government informed when a strike or lockout occurs or is threatened. The Commissioner can: appoint a fact-finder; meet with disputing parties; appoint a Public Interest Inquiry Board; direct the Disputes Resolution Division to appoint a mediator; or direct a final offer vote when the public interest is at stake.

Workers' Compensation Board

The Workers' Compensation Board compensates injured workers for loss of earnings and medical expenses and provides rehabilitation for disabling injuries. It also protects workers on the job by promoting accident prevention, industrial hygiene, first-aid regulation and inspection, and safety education programs. The Board encourages labour management cooperation on accident prevention and industrial safety.

The cost of the program is paid by employers through assessments based on previous accident records. Employers paid $421 million in assessments in 1986, while claims amounted to $297 million.

As a result of reduced costs, the Board had a surplus of $113 million at December 31, 1986 after all liabilities were funded. In light of this, the Board announced a $99 million rebate on employer assessments in June, 1987.

The Board also administers the *Criminal Injuries Compensation Act*, which compensates victims of crime and those injured while assisting police officers.

Workers' Compensation Review Board

This is an independent appeal body which reviews decisions of the Workers' Compensation Board at the request of workers, their dependents, or employers.

Apprenticeship and Employment Training

As of March 31, 1987, approximately 10,000 apprentices were registered with the Ministry of Advanced Education and Job Training. A total of 3,062 apprentices satisfactorily completed their indenture period during 1986/87. Post-secondary vocational institutions provided technical training for 6,388 apprentices in approximately 50 trade areas. Approximately, 1,300 journeymen received certification under the Tradesmen Qualification Program, Interprovincial Standards or Welding Registration Programs.

Employment Training and Work Simulation Programs provided training and employment opportunities for approximately 9,050 persons, while 4,769 journeymen attended upgrading and retraining courses.

There were 405 private training institutions approved and registered during 1986/87.

Vocational Rehabilitation

A total of 1,640 disabled persons received employment oriented training and other assistance through the vocational rehabilitation services of the Ministry of Advanced Education and Job Training.

Safety Engineering Services

The Safety Engineering Services Division of the Ministry of Municipal Affairs provides services to ensure safe living and working conditions. The services relate to the installation and operation of boiler and pressure vessels, elevators, amusement rides and gas and electrical systems. Standards development, safety education and safety assurance activities are undertaken in conjunction with industry.

Women's Secretariat

The Women's Secretariat of the Ministry of Advanced Education and Job Training coordinates all government initiatives specifically related to women and ensures that issues of concern to women are considered at the most senior levels of government. The responsibilities of the Secretariat include policy planning and research, regional programs, communications and special projects, and training and career development. The Women's Secretariat has a mandate to ensure that women are full and equal partners in the social and economic life of British Columbia. To fulfill this mandate, the Secretariat plays an advocacy, monitoring and leadership role on all issues affecting women in the province.

Youth Council

The Youth Council of the Ministry of Advanced Education and Job Training was established to assist young people to achieve their full potential and to participate actively in the social, economic and public life of the province. Major activities include: the British Columbia Youth Advisory Council, to provide advice from youth to government; the Interministry Committee on Youth, to coordinate youth programs; and the Youth Grants Program to stimulate community projects of benefit to young people and communities.

British Columbia Council of Human Rights

The British Columbia Council of Human Rights is responsible for administering and enforcing the *Human Rights Act*, proclaimed in September 1984.

The five-member council receives, investigates and adjudicates allegations of discrimination contrary to the *Act* and informs the public on how to use the council's services and how to avoid and prevent discrimination.

From September 1984 to March 31, 1987, the council received 15,555 inquiries and 642 new complaints, held 108 hearings and gave 148 commentary presentations outlining rights and responsibilities under the *Act*.

Administration of Justice

The Ministry of Attorney General is responsible for the administration of justice in British Columbia through the corrections, police and court systems. The ministry also provides legal advice to government on matters of criminal, civil, constitutional and administrative law, and drafts proposed regulations and legislation. In addition, the Law Reform Commission continuously reviews provincial laws and makes recommendations to the Attorney General.

Police Services

The Police Services Branch is responsible for providing services to help protect life and property and to reduce crime. The branch is responsible for municipal police training at the British Columbia Police Academy, while the British Columbia Police Commission monitors and audits the operation of local police forces.

The Coordinated Law Enforcement Unit is a department of the branch which coordinates activities of police and other agencies to suppress organized crime. The Preventive Policing/CounterAttack Division of the branch coordinates efforts to reduce alcohol-related deaths and traffic accidents. In addition, crime prevention and auxiliary police programs promote community involvement in policing. Branch expenditure for 1986/87 was approximately $87 million.

Under federal-provincial agreements, the Royal Canadian Mounted Police serve as the provincial police force and provide police services to most municipalities. The province paid the federal government approximately $73 million for these services in 1986/87.

Criminal Justice

The Criminal Justice Branch provides Crown counsel for the prosecution of criminal cases and offences against provincial statutes and many municipal bylaws in the trial and appellate courts of the province and in the Supreme Court of Canada. Expenditure for 1986/87 was approximately $20 million.

Corrections

The Corrections Branch is responsible for family court counselling, community service order programs and youth and adult probation. The branch also operates correctional facilities for certain accused or convicted youths and for adults serving sentences of up to two years.

The branch operates 80 probation and family court service offices throughout the province. Facilities include six secure adult custodial institutions, five secure containment centres for delinquent youths, seven open camps for youths, 12 open facilities for adults, and six community correctional centres. The open facilities allow sentenced offenders to participate in useful work, while the community correctional centres help offenders re-entering the community. Probation offices provide a wide range of services to courts and communities throughout the province. Expenditure of the branch for 1986/87 was approximately $119 million.

Court Services

The Court Services Branch provides administrative services to all courts in the province except the Federal Court of Canada. The branch also provides sheriff, court reporting, and ancillary support services, and assists British Columbia Buildings Corporation in the design, construction and maintenance of all courthouses in the province. Branch expenditure was $83 million during 1986/87.

Legal Aid

The Legal Services Society offers legal assistance to individuals who would otherwise be unable to obtain legal counsel, and funds public legal education and information services. The government provided a grant of $17.9 million to the society in 1986/87; additional funding of $3.2 million was raised through grants from the Law Foundation.

Environmental Protection Programs

The Ministry of Environment and Parks is responsible for protecting the British Columbia environment, for conducting research and carrying out environmental inventories, and for administering a licensing system designed to protect the environment.

Waste Management

The Ministry of Environment and Parks establishes pollution discharge quality objectives for municipalities and industries. These standards are specified in discharge permits required to discharge any waste into the environment. Local governments may receive financial assistance for sewage disposal through the Ministry of Municipal Affairs.

The Waste Management Branch administers several programs which encourage environmentally safe waste treatment and resource recovery. A program of irrigation with treated sewage is currently being operated in several locations. Paper, rubber and oil waste recovery and recycling programs are also being encouraged. Expenditure of the branch for 1986/87 was $10 million.

Ecological Protection

Under the *Ecological Reserve Act*, a total of 117 ecological reserves have been established, covering 155,000 hectares, of which about one-third are subtidal.

Conservation Projects

The Wildlife Branch of the Ministry of Environment and Parks administers the Habitat Conservation Fund for the acquisition and enhancement of important fish and wildlife habitats. Since 1981, the fund has financed 336 projects throughout the province with a total expenditure of $8 million.

The Public Conservation Assistance Fund annually offers a total of $50,000 to non-profit clubs and organizations to defray the capital costs of conservation projects.

Fisheries

The objectives of the Recreational Fisheries Program of the Ministry of Environment and Parks are sustained production of healthy and abundant fresh water fish populations through protection and enhancement of natural spawning and rearing habitats; production of hatchery fish to restock hundreds of lakes and streams each year; and management of angler demand through regulations, licensing, and public information and education.

Pesticide Control

The Pesticide Control Branch of the Ministry of Environment and Parks is responsible for regulating the sale and use of all pesticides in the province.

Provincial Emergency Program

The Provincial Emergency Program of the Ministry of Attorney General, with five regional offices, works to ensure that British Columbia is prepared for any type of emergency. Program officials provide training and direction to government ministries, Crown corporations, regional districts, municipalities and more than 6,000 skilled volunteers.

Flood Relief

In the 1986/87 fiscal year, the Ministry of Environment and Parks provided some $220,000 in relief assistance to repair flood damage to public and private property. The ministry also provided $4 million for the River Protection Assistance and Dyking Program.

Consumer Services

The Consumer and Tenancy Relations Branch of the Ministry of Labour and Consumer Services promotes fairness and understanding in the marketplace through the development, administration and enforcement of consumer legislation.

In pursuing this mandate, the branch:

- investigates alleged offences against consumer protection laws and prosecutes where necessary;
- administers an arbitration system for landlord-tenant disputes, informs landlords and tenants of their rights and responsibilities and investigates alleged contraventions of the *Residential Tenancy Act*;
- offers counselling services to consumers with debt problems and assists borrowers and lenders with debt repayment programs;
- regulates activities of the credit industry pursuant to the *Credit Reporting Act* and administers credit issues such as advertising, disclosure and credit practices under the *Consumer Protection Act*; and
- licenses and regulates travel agents, motor dealers, cemetery operators and funeral directors offering prepaid services.

Corporate Relations

The Corporate Relations Division of the Ministry of Finance and Corporate Relations regulates the instruments and documents used to conduct business in British Columbia and licenses and registers corporations and individuals doing business in the province.

Upon reorganization in 1986/87, Corporate Relations now consists of three main divisions.

- The Corporate, Central and Mobile Home Registry administers three programs.
  - — The Corporate Registry administers all matters respecting corporations, societies, and partnerships.
  - — The Central Registry files all liens against personal property.
  - — The Mobile Home Registry maintains a record of all mobile homes registered in the province.
- The Office of the Superintendent of Financial Institutions exercises the powers of the Superintendent of Credit Unions, Trust Companies, Co-operatives, Insurance Companies and Real Estate Agents and Mortgage Brokers.
- The Office of the Director of Corporate Investigations enforces the Acts administered by the Corporate Relations Division and the Acts dealing with the British Columbia Securities Commission.

Liquor Control and Licensing

The Liquor Control and Licensing Branch issues and transfers licences for the sale of liquor; licenses breweries, distilleries, wineries and their agents; monitors and controls liquor advertising; inspects licensed premises to ensure they comply

with the law; and takes appropriate disciplinary actions against contraventions of the *Liquor Control and Licensing Act*.

For information and statistics pertaining to the Liquor Distribution Branch, see Chapter 4.

Land Registry

The seven land title offices of the Ministry of Attorney General maintain records of all transactions in real property and issue certificates of title for each parcel of land. Each office has a registrar responsible for correctly interpreting the *Land Title Act* and all applicable statutes, to ensure that security of title is maintained at all times.

Vital Statistics

The Vital Statistics Division of the Ministry of Health administers the *Vital Statistics Act*, *Marriage Act*, *Name Act* and Part II of the *Wills Act* in regard to the registration of vital events, issuance of marriage licences, appointment of Marriage Commissioners, registration of changes of name and other services to the public. This is carried out through offices in Victoria and Vancouver and through a regional network of District Registrars, Marriage Commissioners and issuers of marriage licences.

Recreation and Sport

In 1986/87, the Recreation and Sport Branch of the Ministry of Tourism, Recreation and Culture distributed $8 million in grants from the Physical Fitness and Amateur Sports Fund and the Lottery Fund.

Cultural Services

In 1986/87, the Cultural Services Branch of the Ministry of Tourism, Recreation and Culture distributed nearly $8 million in grants from the British Columbia Cultural Fund and the Lottery Fund to cultural organizations throughout the province.

Library Services

In 1986/87, the Library Services Branch of the Ministry of Tourism, Recreation and Culture provided grants totalling $6.4 million to municipal and regional public libraries, public library associations, reading centres and other library groups.

Special grants of $38,000 were made to designated public libraries from the Provincial Computerization of Libraries Account to institute automatic cataloguing and circulating systems. The account was established in 1980 with an appropriation of $3 million.

Provincial Parks

Under the *Park Act*, the provincial government administers a provincial park system comprising 377 parks and recreation areas of more than 5.4 million hectares.

British Columbia Heritage Trust

The British Columbia Heritage Trust was established in 1977 by the *Heritage Conservation Act*. In 1986/87, 118 grants valued at $1.3 million were awarded from the Trust Fund.

British Columbia Gaming Commission

The Gaming Commission sets policy for gaming within the province and the terms and conditions of licences to be issued to charities that use bingos, ticket lotteries or casino events to raise funds, and acts as the licensing authority for such charitable events.

Ombudsman

The *Ombudsman Act* provides for an independent officer of the Legislative Assembly to investigate complaints about provincial government ministries and certain other government agencies. Expenditures by the Office of the Ombudsman totalled $2.3 million during 1986/87.

6

INDUSTRY AND INDUSTRIAL DEVELOPMENT

6. Industry and Industrial Development

Introduction

British Columbia's abundant and diverse natural resources continue to provide the large export earnings needed for capital investment and to provide an economic base for large numbers of business services. (See Appendix 6.1 for details of British Columbia geography, geology and climate.) Further development of the economy is dependent on the management of these natural resources and on existing and future investment in infrastructure and the province's goods producing and service industries. Government investments in education, job training and a variety of programs in support of economic development foster this maturing of the economy.

Infrastructure

British Columbia's physical resources have been developed with the aid of extensive investment in communications, transportation services and energy, as well as investments in university and technical education, and apprenticeship and job training programs. The government also provides essential services to businesses through regulatory and recording functions such as securities regulation, land title recording and a spectrum of inspection services. (See Chapter 5 for details.)

Communications

At the end of 1986, British Columbia had 70 private originating radio stations, eight private originating television stations and several hundred rebroadcasting stations. Cable television is available to more than 80 per cent of homes, with nearly 913,000 subscribers in British Columbia, the Yukon and Northwest Territories. Many communities in remote areas receive television signals via satellite. The government encourages this by providing grants for part of the cost of satellite receiving dishes and other equipment. Through this five-year-old program, 62,000 households in 213 communities have gained access to educational and basic television network services, at a cost to the province of $2.2 million.

At the end of 1986, there were 1,579,245 commercial and residential telephone lines in operation in British Columbia. The number of lines per 100 people serviced by the province's three telephone companies reached 53 in 1985, compared to the national average of 49. Telephone service is regulated by the federal Canadian Radio-television and Telecommunications Commission.

Transportation

The Ministry of Transportation and Highways administers 46,414 kilometres of provincial roads and rights-of-way of which 21,753 kilometres are paved and 23,556 kilometres are gravelled. There are another 2,162 kilometres of provincial arterial highways in municipalities.

By the fall of 1987, Phase II of the Coquihalla Highway will be opened. This will extend the highway a further 75 kilometres from Merritt to Kamloops. Phase I, from Hope to Merritt, was opened in May, 1986. When Phase II is completed, the driving distance from the Lower Mainland to Kamloops will be reduced by 80 kilometres. Work is continuing on Phase III of the Coquihalla, between Merritt and Peachland in the Okanagan Valley.

A new three-year agreement between the provincial and federal governments will fund improvements to the Yellowhead Highway from Prince Rupert to Kamloops, and the widening of the section north of Kamloops from two lanes to four.

The Alex Fraser Bridge over the Fraser River, completed in September 1986, provides improved access to Vancouver, Burnaby and New Westminster from the south. Connecting highway improvements, including the East-West highway in Richmond, will be completed in 1988.

Table 6.1

Provincial Highway Construction

Fiscal Year Ended March 31.	1986	1987	Change 1986–1987
	(kilometres)		(per cent)
Construction			
Four-lane	114	162	42.1
Two-lane	19	3	– 84.2
Total	133	165	24.1
Paving			
New	600	1,115	85.8
Sealcoat (maintenance)	424	642	51.4
	(number)		
Bridges and major highway structures	45	35	– 22.2
	($ millions)		
Highway and bridge expenditure			
Capital	749.9	595.7	– 20.6
Maintenance	266.4	270.9	1.7
Total	1,016.3	866.6	– 14.7

Railways

The province has approximately 7,500 kilometres of mainline track, operated by the British Columbia Railway, Canadian Pacific Railway, Canadian National Railway and other railways.

The British Columbia Railway provides passenger service from North Vancouver to Prince George. VIA Rail provides passenger service on the Canadian National Railway Northline, Prince Rupert to Edmonton; on the Canadian National mainline, Vancouver to Edmonton; on the Canadian Pacific Railway transcontinental line, Vancouver to Calgary; and on the Esquimalt and Nanaimo Railway line, Victoria to Courtenay.

British Columbia Hydro and Power Authority operates a rail freight service in the Lower Mainland and the Fraser Valley, and the Burlington Northern Railway operates between the Lower Mainland and Seattle. The Canadian Pacific Railway and the Canadian National Railway operate railcar barge connections to Vancouver Island, and the Canadian National Railway operates the Aqua-train service between Prince Rupert and Whittier, Alaska.

The Canadian National Railway spent approximately $100 million in British Columbia during 1986 for railway maintenance and plant expansion. Of the total, approximately $81 million was for plant expansion, including $55 million for upgrading the Northline to Prince Rupert.

The Canadian Pacific Railway spent $150 million on the Rogers Pass tunnel and associated double tracking in 1986. Construction of a coal car repair shop in Golden was completed at a total cost of $45 million.

For more information on the British Columbia Railway, see Chapter 4.

Deep Sea Shipping

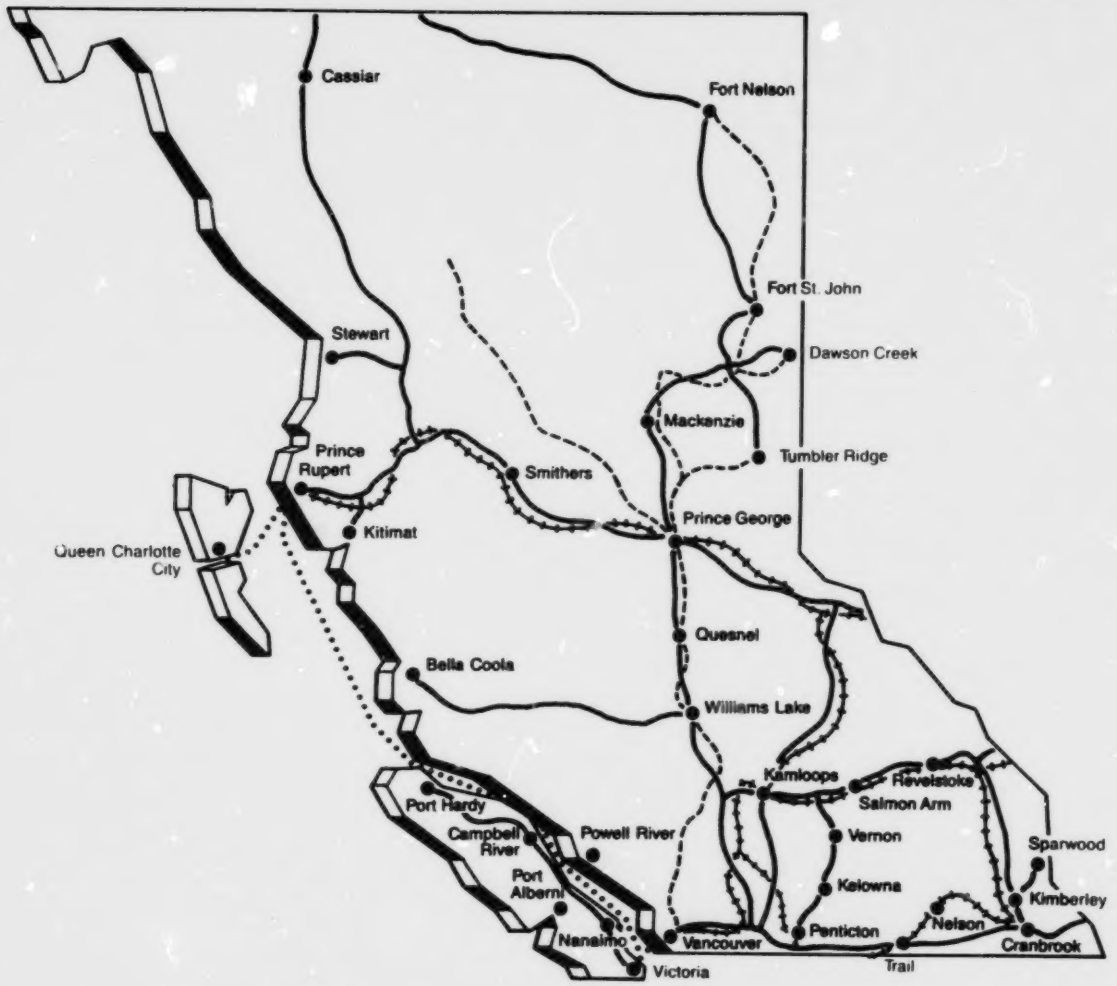
The Port of Vancouver is British Columbia's major seaport, with additional year-round deep-sea ports at Prince Rupert, New Westminster, Victoria, Nanaimo, Port Alberni, Campbell River and Powell River.

Vessels arriving at British Columbia ports from other countries numbered 10,289 in 1986, 25 per cent more than the year before. Total tonnage increased by 0.4 per cent to 73.7 million tonnes. Approximately 5.8 million tonnes of cargo were unloaded and 67.9 million tonnes of cargo were loaded for foreign destinations.

Coal and coke remained the leading tonnage export commodity for Vancouver in 1986. Coal exports, including shipments through Roberts Bank, were 19.1 million tonnes. Grain exports accounted for approximately 10.4 million tonnes, while lumber and pulp shipments reached 3.0 million tonnes. Container traffic increased 25 per cent to 2.0 million tonnes.

Cargo shipped through the port at Prince Rupert in 1986 reached a total of 10.3 million tonnes. Coal accounted for 6.7 million tonnes, down from 7.2 million tonnes in 1985.

Map 6.1 Provincial Transportation Network



Trunk Highways

Railways BCR

CN - CPR

Ferry Routes (Main)

Coastal Shipping

Tug and barge services connect major centres with small communities on Vancouver Island, the Gulf Islands, the mainland coast and the Queen Charlotte Islands. Small coastal vessels provide a mix of passenger and package freight services.

British Columbia ports handled an estimated 42.3 million tonnes of domestic shipping in 1985, an increase of 7.4 per cent from 1984.

Ferry Service

British Columbia Ferry Corporation provides drive-on/drive-off freight and passenger service on its major routes.

For information on the British Columbia Ferry Corporation and the British Columbia Steamship Company (1975) Ltd., see Chapter 4.

The Ministry of Transportation and Highways currently provides service on 18 lake and river crossings. In 1986/87 these ferries carried 5.3 million passengers and 2.7 million vehicles.

Air Transport

There are more than 100 licenced air carriers based in British Columbia, providing scheduled and charter services to domestic and foreign destinations. The province has more than 200 land-based airports, about 63 water-based terminals and approximately 20 heliports. Activity at the province's largest airport, the Vancouver International Airport, is detailed in Table 6.2.

The provincial Air Transport Assistance Program was established in 1977 to assist the development of community airports and regional air services in British Columbia. By March 31, 1987, the program had provided 178 grants totalling $25 million to 69 communities.

Table 6.2

Activity at Vancouver International Airport

Totals In/Out		1985	1986	Change 1985–1986
				(per cent)
Passengers	(thousands)	6,934	8,300	19.7
Airmail and air cargo	(tonnes)	106,000	118,430	11.7
Aircraft movements	(thousands)	296	347	17.2

Source: Transport Canada preliminary estimates

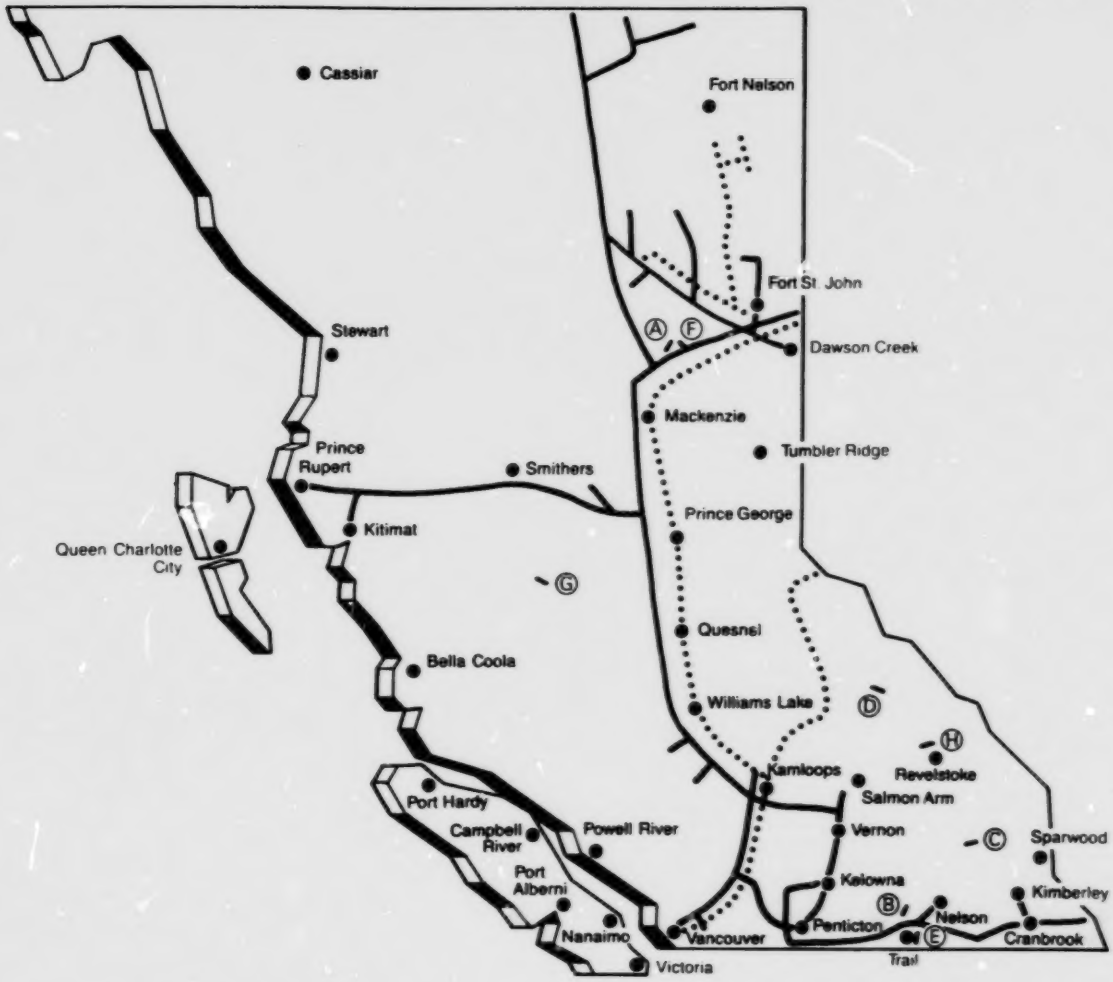
Motor Transport

During the 1986 licence year, the province issued approximately 1.3 million passenger vehicle licences and 447,000 commercial licences.

Pipelines

In British Columbia there are approximately 2,100 kilometres of crude oil trunk and gathering lines, 5,300 kilometres of natural gas transmission lines and 12,100 kilometres of natural gas gathering and distribution lines (see Map 6.2).

Map 6.2 Provincial Pipeline Network and Major Hydroelectric Dams



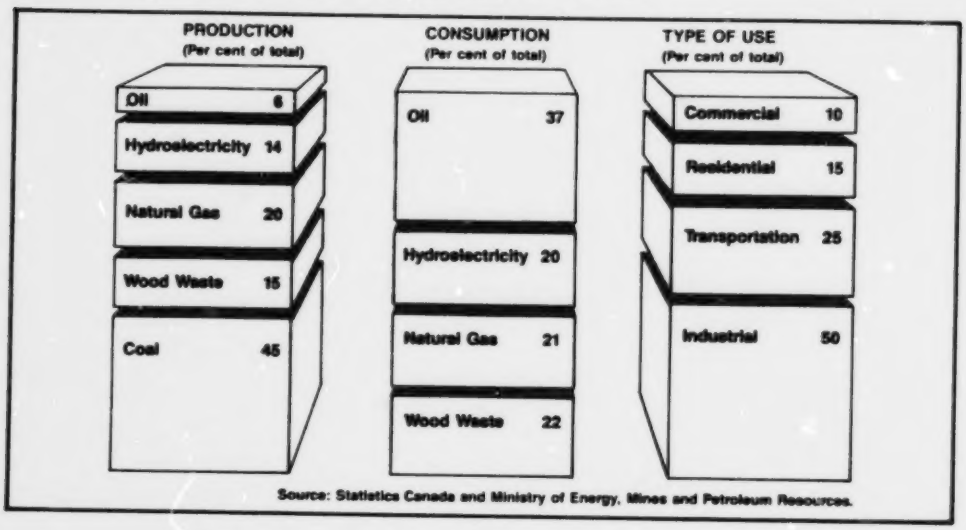
Operating Pipelines	
PETROLEUM	.....
NATURAL GAS	———

	Dams	Rivers	Lakes/Reservoirs
A	W.A.C. Bennett	Peace	Williston
B	Hugh Keenleyside	Columbia	Arrow
C	Duncan	Kootenay	Duncan
D	Mica	Columbia	Kinbasket
E	Seven Mile	Pend d'Oreille	Seven Mile
F	Peace Canyon	Peace	Dinosaur
G	Kenney	Nechako	Nechako
H	Revelstoke	Columbia	Revelstoke

Energy

British Columbia has a diverse and abundant energy resource base (see Chart 6.1). The province is self-sufficient in all energy sources except oil. Three-quarters of British Columbia oil is imported, mainly from Alberta, but these imports are more than offset by large exports of coal, natural gas and electricity, making British Columbia a net exporter of energy.

Chart 6.1 Energy Production and Consumption in 1986



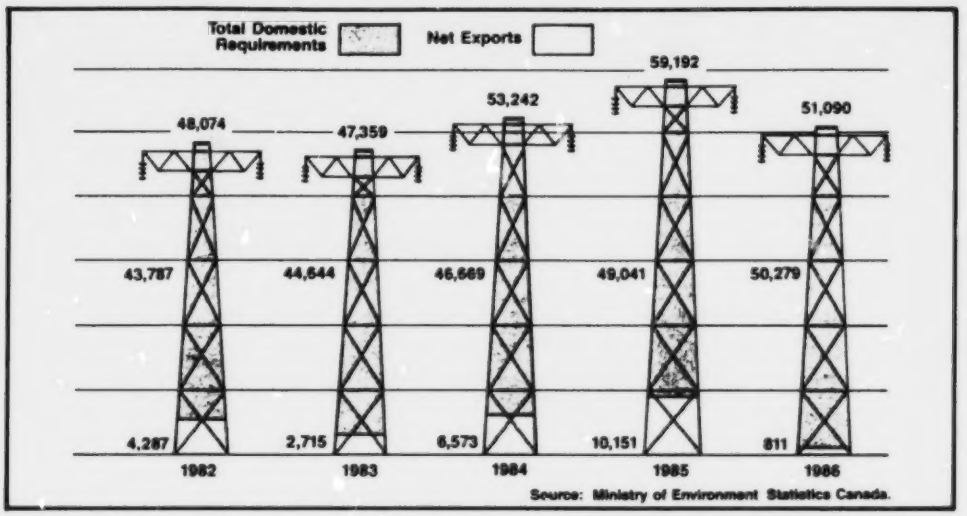
Electric Generation

Because it is renewable and non-polluting, hydro-electric power is a desirable energy source. Canada has one quarter of the world's fresh water supplies, of which one third is in British Columbia. This has led to the development of 12.8 gigawatts of electrical generated capacity in the province consisting of 11.1 gigawatts of hydro-electric capacity and 1.7 gigawatts of thermal-electric capacity. The availability of this competitively priced energy, which supplies about 20 per cent of the province's energy requirement, continues to be a strong inducement for new energy-intensive industry to locate in the province.

Appendix Table 6.7 lists the principal power producers, Map 6.2 shows the locations of the largest hydro-electric dams and Appendix Table 6.8 lists data on the ten largest powerplants in British Columbia.

During 1986, electrical generation totalled 51,090 gigawatt-hours, 13.7 per cent less than the previous year. Although domestic consumption increased by 2.5 per cent to 50,279 gigawatt-hours, export sales decreased by 63 per cent. Approximately 96 per cent of production was from hydro plants with the remainder from thermal plants (see Appendix Table 6.6).

Chart 6.2 Electric Power Supply (gigawatt-hours)



Economic Structure

Since the 1950s, resource extraction and related processing have been the major engines of growth for the British Columbia economy, with the forest industry expanding into the Interior, and new aluminum, copper, coal and natural gas industries being established. Natural resource development has triggered the creation of related manufacturing and knowledge-based industries, including machinery, chemicals and engineering services.

The economy has become increasingly diversified over the past decade, with advances in electronics, aquaculture, marine industries, and film production. (See page 113 for details of the high technology industry.)

Service industries, especially tourism, finance, real estate, and business and professional services, have developed steadily and now account for nearly 70 per cent of total provincial output. They also provide a source of export growth. See Table 6.3 for details.

Sectoral Output

During 1986, goods-producing industries accounted for 31.3 per cent of total goods and services output. The primary industries (forestry, mining, agriculture and fishing and trapping) accounted for 22.2 per cent of the output of goods-producing industries.

The share of manufacturing in goods production (including all resource-processing activity) increased from 44.2 per cent in 1985 to 45.2 per cent in 1986.

Table 6.3

Real Gross Domestic Product (1971 dollars)[1]

Sector	1976	Per Cent of Total	1985	Per Cent of Total	1986	Per Cent of Total
	($ millions)		($ millions)		($ millions)	
Agriculture	155	1.3	215	1.4	215	1.4
Forestry	340	2.8	380	2.6	379	2.5
Fishing and trapping	39	0.3	55	0.4	53	0.3
Mining	337	2.8	404	2.7	404	2.7
Manufacturing	2,034	16.8	2,078	14.1	2,142	14.1
Construction	857	7.1	931	6.3	933	6.2
Utilities	455	3.8	634	4.3	616	4.1
Total goods	4,217	34.9	4,697	31.8	4,742	31.3
Transportation, communication and storage	1,545	12.8	1,862	12.6	1,961	12.9
Wholesale and retail trade	1,641	13.6	1,912	13.0	1,969	13.0
Finance, insurance and real estate	1,455	12.0	2,438	16.5	2,535	16.7
Community, business and personal services	2,371	19.6	2,908	19.7	3,010	19.9
Public administration and defence	855	7.1	935	6.4	944	6.2
Total services	7,867	65.1	10,055	68.2	10,419	68.7
Total goods and services	12,084	100.0	14,752	100.0	15,161	100.0
Unallocated residual[2]	(477)		(50)		(49)	
Gross domestic product	11,607		14,702		15,112	

[1] GDP is shown at factor cost which is less than GDP at market prices by the amount of indirect taxes less subsidies.
[2] Unallocated residual arises due to the use of different deflators for each sector and for the components of GDP.
Note: Experimental data.
Source: British Columbia Economic Accounts and Ministry of Finance and Corporate Relations estimates.

Service industries accounted for 68.7 per cent of total goods and services output in 1986. Community, business and personal services is the largest component of service industry output, accounting for 28.9 per cent of the value added in the service industries in 1986.

Sectoral Employment

British Columbia's sectoral employment reflects the shares of various sectors in gross domestic product. Service industries accounted for 75.7 per cent of total provincial employment in 1986, up from 68.8 per cent in 1976. Goods-producing industries provided the remaining 24.3 per cent of employment.

Among the service industries, community, business and personal services represented 35.3 per cent of total employment in 1986, up from 34.6 per cent in 1985. This increase was due mainly to Expo 86. Wholesale and retail trade accounted for 18.8 per cent of employment.

Resource and non-resource manufacturing was the third largest employer, accounting for 11.9 per cent of employment in 1986, down from 16.4 per cent in 1976. Transportation, communication and storage was the next largest with 8.5 per cent of employment while primary industries accounted for 6.4 per cent.

Service Industries

British Columbia's service industries account for a large and growing share of the provincial economy's output and employment. This trend is a structural phenomenon common to most industrialized nations.

Although information on service industries is scarce compared to that available on the primary and secondary goods industries, it appears that much of the job creation in British Columbia's service sector has been in small firms with five or fewer employees. This is not surprising in light of similar findings in studies of the service sectors in the United States and the United Kingdom.

The service sector encompasses a wide variety of activities ranging from computer software research and design to tourism, education and health services. Conceptually, a broad distinction can be made between producer services and consumer services.

- Producer services contribute to the production of some other good or service. They include transportation, insurance, legal and architectural services.
- Consumer services are end products in themselves. They include accommodation and food services, communications (such as cable television and telephone services) and personal services (such as medical care and accommodation).

Both producer and consumer services make important contributions to the provincial economy. In 1986, consumer services grew strongly due to Expo-related tourism activity. By contrast, the lengthy forest industry strike created difficulties for firms servicing the forest industry and for businesses located in areas where forestry is the primary activity.

Forest Products Industry

British Columbia's forest lands support more than 8 billion cubic metres of mature timber. More than 97 per cent is coniferous (softwood); British Columbia has approximately one-half of Canada's softwood inventory. The major Coastal species is hemlock and the major Interior species are spruce and lodgepole pine. (See Appendix Table 6.2.)

The provincial government owns more than 90 per cent of the province's forest land. For management purposes, the forest resource is divided into sustained yield units known as timber supply areas and tree farm licences. Timber harvesting in these units is delegated to private operators under a variety of licencing agreements. Forest management responsibilities in timber supply areas are shared between the Ministry of Forests and Lands and private operators, while in tree farm licences they are the sole responsibility of private operators.

The forest industry is the most important sector of the provincial economy, accounting for approximately 45 per cent of the value of shipments by British Columbia manufacturing industries (see Appendix Table 6.9) and more than 50 per cent of the province's exports.

In 1986, the British Columbia timber harvest was 77.5 million cubic metres, up slightly from 1985 (see Table 6.4). This harvest volume slightly exceeds the annual production target of 75 million cubic metres established by the Ministry of Forests and Lands.

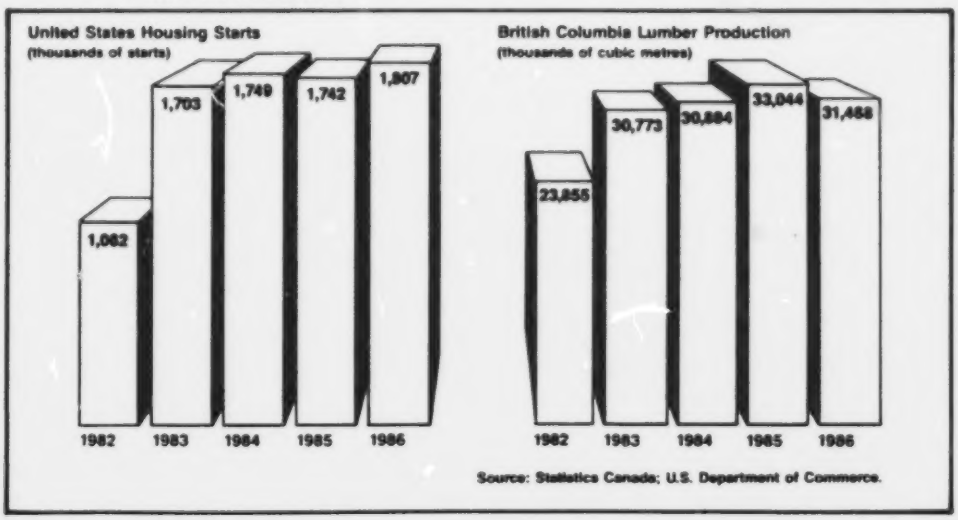
Lumber

Lumber production in British Columbia in 1986 was 31.5 million cubic metres (13.3 billion board feet), a decrease of 4.5 per cent from 1985. The decrease was mainly caused by a four-month strike. Interior sawmills produced 22.6 million cubic metres of lumber, down about 4 per cent from 1985; the coastal industry produced 8.9 million cubic metres, down about 6 per cent.

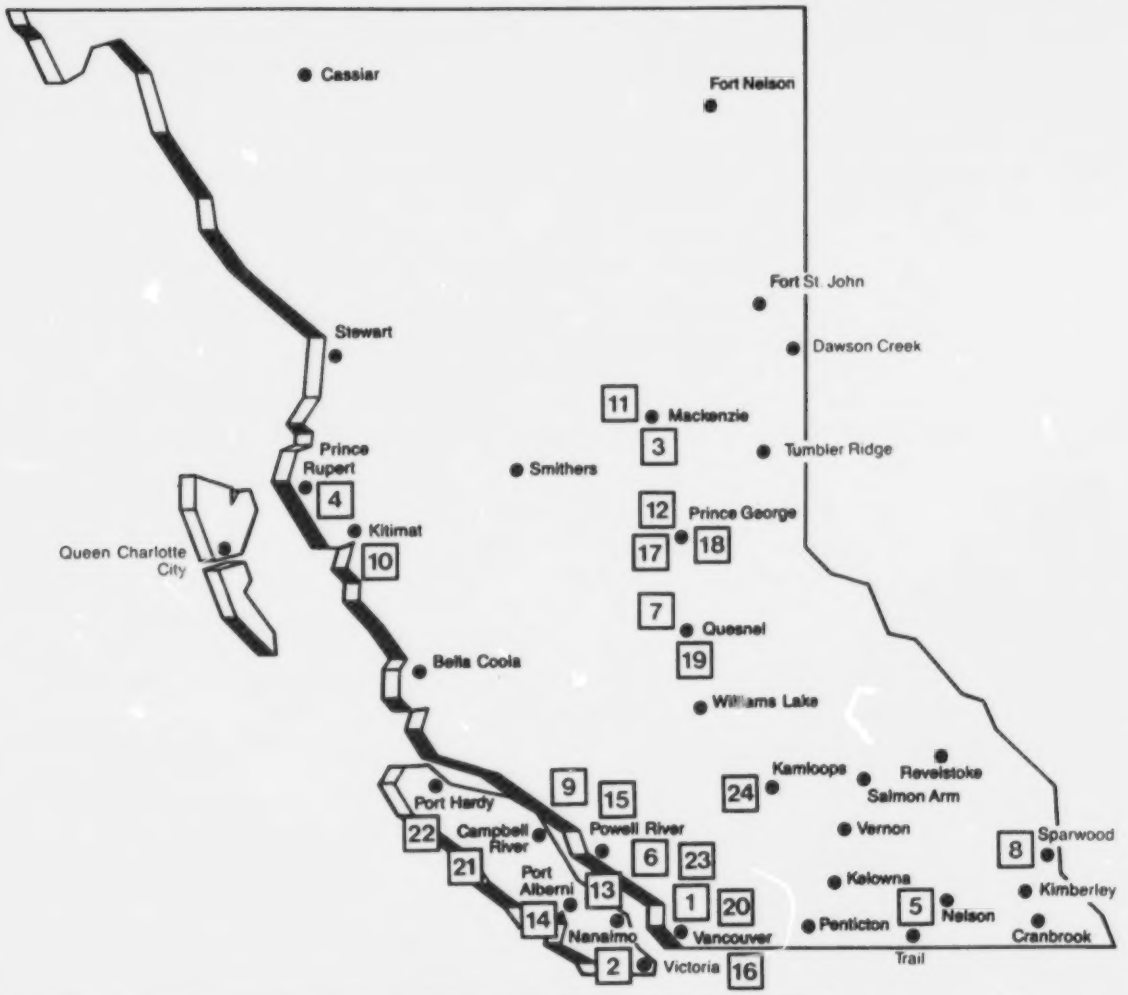
In May 1986, a group of United States lumber producers filed a countervailing duty petition against Canadian softwood lumber producers. While the petition alleged that Canadian sawmills benefitted from various government subsidies, the focus was the price paid for publicly owned timber in Canada. The petition was withdrawn in December 1986 when the Governments of Canada and the United States agreed to a 15 per cent export charge on Canadian softwood lumber exported to the United States.

British Columbia lumber shipments to the United States decreased slightly in 1986 despite record lumber consumption in that country. North American lumber prices were generally higher in 1986 than in 1985 due to higher demand, uncertainty about the countervailing petition and the strike in British Columbia.

Chart 6.3 United States Private Housing Starts and British Columbia Lumber Production



Map 6.3 Pulp and Paper Mills (1987)



	Company	Location	Annual Capacity ('000 tonnes)* Pulp	Paper
1	Belkin Inc.	Burnaby	—	145
2	British Columbia Forest Products Ltd.	Crofton	730	450
3	British Columbia Forest Products Ltd.	Mackenzie	190	—
4	Skeena Cellulose Inc.	Prince Rupert	412	—
5	Calgar Pulp Co.	Castlegar	190	—
6	Canadian Forest Products Ltd.	Port Mellon	215	—
7	Cariboo Pulp and Paper Ltd.	Quesnel	270	—
8	Crestbrook Forest Industries Ltd.	Skookumchuk	207	—
9	Crown Forest Industries Ltd.	Duncan Bay	725	536
10	Eurocan Pulp and Paper Ltd.	Kitimat	342	342
11	Finlay Forest Industries Ltd.	Mackenzie	138	—
12	Intercontinental Pulp Co. Ltd.	Prince George	230	—
13	MacMillan Bloedel Ltd.	Harmac	360	—
14	MacMillan Bloedel Ltd.	Port Alberni	433	362
15	MacMillan Bloedel Ltd.	Powell River	640	590
16	Island Paper Mills Ltd.	Annacis Island	—	145
17	Northwood Pulp and Timber Ltd.	Prince George	500	—
18	Prince George Pulp and Paper Ltd.	Prince George	270	100
19	Quesnel River Pulp Co. Ltd.	Quesnel	182	—
20	Scott Paper Ltd.	New Westminster	28	80
21	CIP Inc.	Gold River	240	—
22	Western Pulp Ltd.	Port Alice	150	—
23	Western Pulp Ltd.	Squamish	216	—
24	Weyerhauser Canada Ltd.	Kamloops	400	—
			7,068	2,750

*As at May 1987

For integrated mills, pulp capacity includes pulp which is used internally to produce paper and to produce market pulp (if any) which is shipped from the mill site.

Table 6.4

Economic Indicators of Activity in the Forest Sector

Indicator	1976	1981	1985	1986	Change[1] 1985–1986
Production			(millions of m^3)		(per cent)
1 Timber scaled	69.5	59.5	76.9	77.5	0.8
2 Lumber production	25.4	24.6	33.0	31.5	-4.5
3 Plywood production	1.9	1.7	1.6	1.5	-6.7
			(millions of tonnes)		
4 Pulp production	5.4	4.8	5.9	6.4	8.5
5 Newsprint, paper and paperboard production	2.0	1.9	2.5	2.6	4.0
Exports of Forest Products to Major Countries			($ millions)		
6 United States	1,787.9	2,282.6	3,838.6	4,040.7	5.3
7 Japan	333.2	799.8	913.0	1,128.2	23.6
8 United Kingdom	264.1	331.8	253.6	340.9	34.4
9 Other	805.7	1,435.6	1,328.4	1,558.6	17.3
10 Total	3,190.9	4,849.8	6,333.6	7,068.4	11.6
Industry Selling Price Indices (1981 = 100)					
11 Softwood lumber — British Columbia	n/a	100.0	115.1	125.4	8.9
12 Douglas fir plywood	n/a	100.0	92.6	112.8	21.8
13 Bleached sulphate pulp for export	n/a	100.0	87.3	98.2	12.5
14 Newsprint for export	n/a	100.0	119.7	123.0	2.8

[1] Percentage based on unrounded numbers.

Sources:

1 Ministry of Forests and Lands
2–3 and 11–14 Statistics Canada
4–5 Statistics Canada and Canadian Pulp and Paper Association
6–10 Ministry of Economic Development, estimated from Statistics Canada data

Plywood

Approximately 80 per cent of British Columbia plywood production is used within Canada. In 1986, provincial plywood production was 1.5 million cubic metres (1.7 billion square feet, 3/8 inch basis), a decrease of 6.7 per cent from 1985, due mostly to the industry-wide work stoppage. Plywood prices increased during 1986 reflecting the strongest level of Canadian housing starts in several years.

Pulp and Paper

British Columbia pulp production was 6.4 million tonnes in 1986, 8.5 per cent more than the previous year. Pulp prices, quoted in United States dollars, rose more than 25 per cent during the year, reflecting strong worldwide demand and the fact that the impact of the price increase on overseas buyers was softened by the fall of the United States dollar.

Newsprint, paper and paperboard production in 1986 increased 4 per cent to 2.6 million tonnes. Provincial newsprint production increased 3 per cent to 1.5 million

tonnes. Stronger world economies, higher consumption levels and slower growth of capacity helped support prices, which rose more than 5 per cent during the year.

Forest companies reported greatly improved financial results in 1986, with most companies reporting record sales volumes and substantially higher profits.

Forest Programs

The programs of the Ministry of Forests and Lands are designed to manage and protect the forest and range resources of the Crown.

Harvesting

The Harvesting Program allocates timber to the forest industry in a manner consistent with ministry planning objectives. Harvesting programs include harvest level planning, road access, management of timber tenures and cutting permits, scaling and valuation services and harvesting research. Program expenditure for 1986/87 was approximately $54.0 million.

Silviculture

The Silviculture Program is responsible for restocking denuded land and for improving the value and productivity of forest stands through silviculture treatments. The program guides and monitors all provincial silviculture activities, and provides seeds and seedlings for reforestation projects (see Table 6.5 for details on sources of silviculture funding).

Table 6.5

Silviculture Funding in British Columbia
1983/84 to 1986/87

	Ministry Operations Vote[1]	Section 88[2]	Small Business Enterprise Account	Forest Resource Development Agreement[3]	Forest Stand Management Fund	Total	Percentage Change
	$ millions						
1983/84	45.9	42.1	—	—	—	88.0	—
1984/85	62.3	48.4	—	—	—	110.7	25.8
1985/86	57.6	50.1	3.3	25.4	—	136.4	23.2
1986/87	56.2	65.7	7.0	38.8	15.4[4]	183.1	34.2

[1] Includes total expenditure under the Canada-British Columbia Intensive Forest Management Agreement (50/50 cost-shared) in 1983/84 and 1984/85.
[2] Stumpage offsets under section 88 of the *Forest Act* are credits against stumpage levies payable to the government by forest companies. Companies can earn credits by undertaking specific silviculture or engineering activities.
[3] Includes federal funding under the Agreement.
[4] Includes funding of $3.0 million from the Ministry of Advanced Education and Job Training for the Forest JobTrac Program.

Forest Protection and Fire Suppression

The Forest Protection Program is responsible for protecting forest and range resources from damage by wildfire, insects and disease. Other concerns are the protection of life and property, the preservation of other natural resource values and the use of prescribed fires for hazard abatement, silviculture treatments and wildlife management. Expenditure in 1986/87 was approximately $24.7 million.

The Fire Suppression Program is closely linked to, and supported by, the Forest Protection Program, but is separately managed and funded. There were 2,194 fires which burned 17,261 hectares of land in 1986/87. These totals were down 40 per cent and 93 per cent respectively from the previous year. Fire suppression expenditure in 1986/87 was $46 million compared to $129 million in 1985/86.

Forest Resource Development Agreement

During 1986/87, the second year of the federal/provincial Forest Resource Development Subsidiary Agreement, $38.8 million was spent on reforestation and intensive pest management. This amount included the costs of growing of seedlings, site rehabilitation and planting, post-planting and silviculture activities. The five year agreement will provide $300 million, shared equally between the federal and provincial governments.

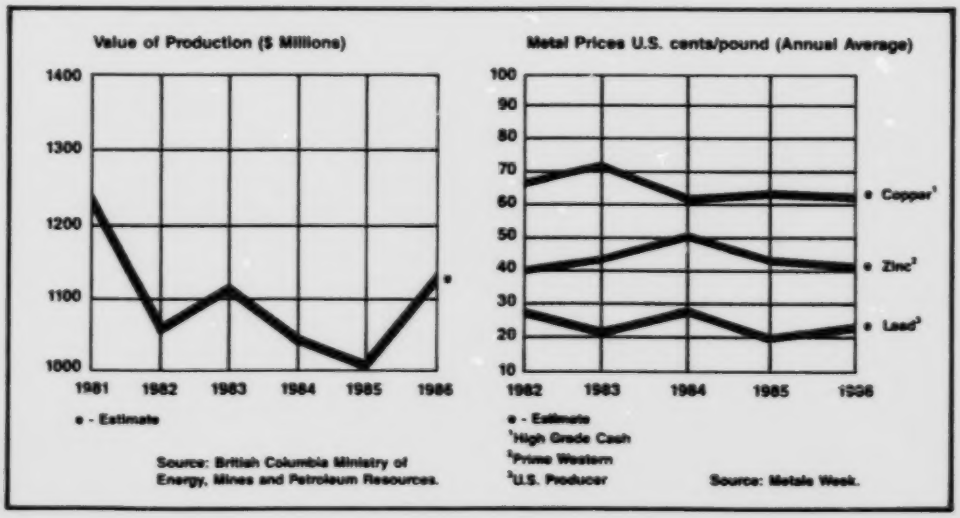
Minerals

The total value of mineral production in 1986 is estimated at $3.24 billion, down 5.5 per cent from 1985 (see Appendix Table 6.4). Most of the decline resulted from reduced values for petroleum and natural gas production, reflecting lower world oil prices. Values of metals, industrial minerals and structural materials were up from 1985 levels, while coal output and value were marginally less. For an annual total production comparison see Appendix Table 6.5.

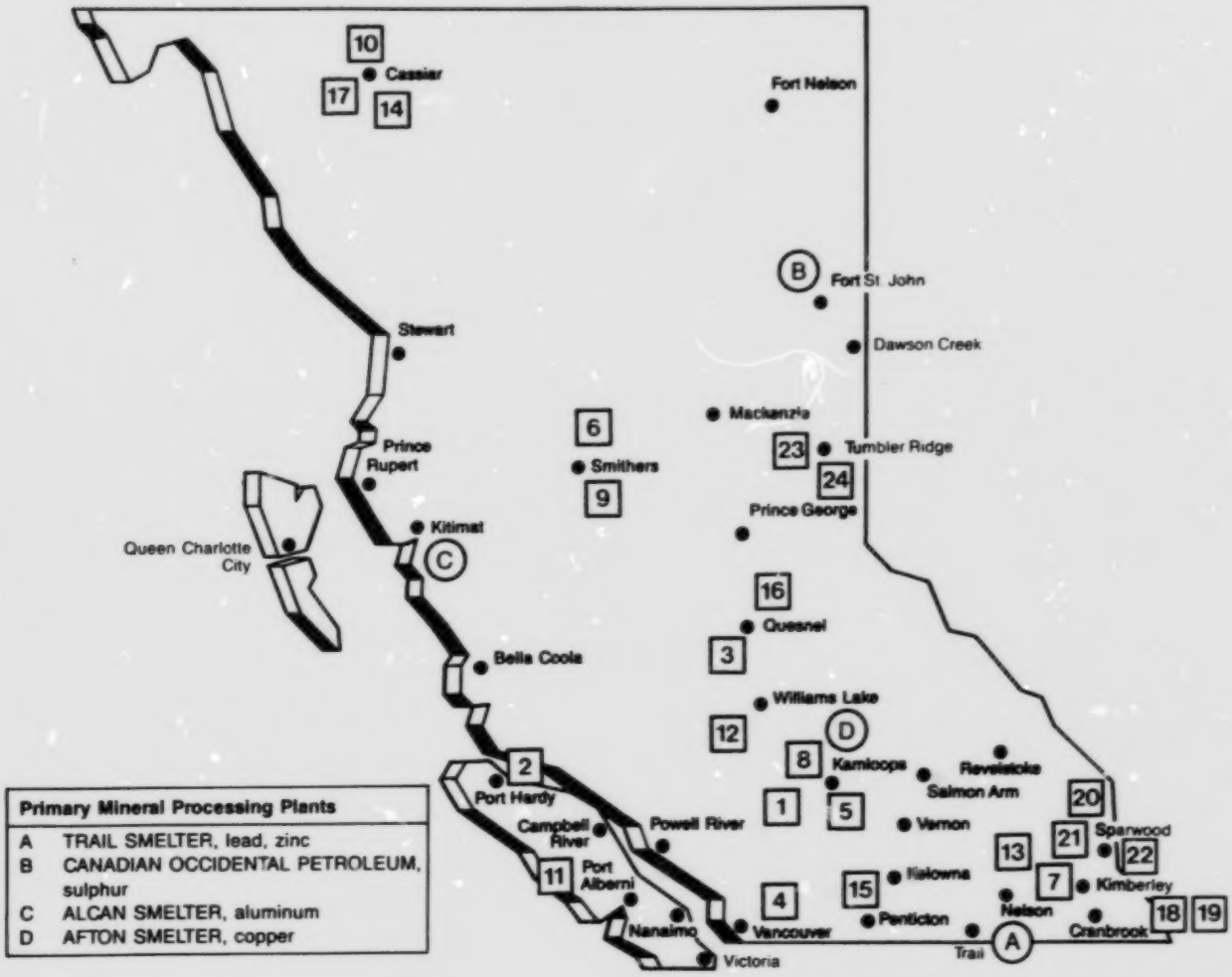
Metals

The total value of metals production in 1986 increased by 12.5 per cent to $1.13 billion (see Chart 6.4). The production values of most major metals increased, except for lead and silver. Production volumes of metals were also higher, except for lead.

Chart 6.4 Value of British Columbia Metallic Mineral Production



Map 6.4 Major Operating Mines (1986)



Primary Mineral Processing Plants	
A	TRAIL SMELTER, lead, zinc
B	CANADIAN OCCIDENTAL PETROLEUM, sulphur
C	ALCAN SMELTER, aluminum
D	AFTON SMELTER, copper

	Company	Location	Daily Rated Capacity (tonnes)	Products
1	Lornex Mining Corporation Ltd.	Highland Valley	78,000	Copper, molybdenum
2	Utah Mines Ltd. (Island Copper)	Rupert Inlet	37,200	Copper, molybdenum
3	Gibraltar Mines Ltd.	Granite Mountain	36,300	Copper, molybdenum
4	Newmont Mines Ltd. (Similkameen Div.)	Princeton	20,000	Copper
5	Cominco Ltd. (Valley)	Highland Valley	19,000	Copper
6	Bell (Noranda)	Babine Lake	17,000	Copper, gold, silver
7	Cominco Ltd. (Sullivan)	Kimberley	9,100	Silver, lead, zinc, iron
8	Afton Mines Ltd.	Kamloops	6,350	Copper, gold, silver
9	Equity Silver Mines Ltd. (Sam Goosly)	Houston	4,500	Copper, gold, silver
10	Brinco Mining Ltd. (Cassiar Div.)	Cassiar	3,629	Asbestos
11	Westmin Resources Ltd.	Buttle Lake	907	Copper, zinc, lead, silver
12	Blackdome (Blackdome Mining Corporation)	Clinton	200	Gold, silver
13	Dickenson Mines Ltd. (Silmonac)	Slocan Lake	125	Silver, lead, zinc
14	Erikson Gold Mining Corp.	Cassiar	110	Gold
15	Teck Corporation (Highland Bell)	Beaverdell	105	Silver, lead, zinc
16	Mosquito Creek Gold Mining Co. Ltd.	Wells	100	Gold, silver
17	Taurus Resources Ltd.	Cassiar	98	Gold
18	Westar Mining Ltd. (Balmer)	Fernie	n/a	Coal
19	Westar Mining Ltd. (Greenhills)	Fernie	n/a	Coal
20	Fording Coal Ltd.	Natal	n/a	Coal
21	Crows Nest Resources Ltd. (Line Creek Mine)	Sparwood	n/a	Coal
22	Byron Creek Collieries	Corbin	n/a	Coal
23	Teck Corporation (Bullmoose)	Tumbler Ridge	n/a	Coal
24	Denison Mines Ltd. (Quintette)	Tumbler Ridge	n/a	Coal

Structural Materials

The 1986 value of structural materials, which includes cement and sand and gravel, was $234.6 million, slightly higher than the $232.8 million recorded in 1985.

Industrial Minerals

The total value of industrial mineral production in 1986 increased 19.5 per cent from the previous year to $132.6 million. Sulphur accounted for all of the value increase despite slightly lower production.

Mineral Exploration

Mineral claim staking rose 16.6 per cent to 61,858 claim units in 1986. Exploration expenditures were estimated at $91.0 million in hard rock and $3.2 million in coal for a total of $94.2 million.

Petroleum and Natural Gas

Exploration activity in the petroleum and natural gas industry decreased markedly in 1986. Seismic crew weeks, wells drilled and bonus bids paid for oil and natural gas rights showed the effects of the price drop early in the year. The total number of parcels under tenure was up slightly over the previous year. A total of 161 wells were drilled, 76 less than in 1985, and there were 182 seismic crew weeks, 89 less than in 1985. Drilling incentives put in place in 1985 limited the decline in drilling activity.

The value of petroleum and natural gas production decreased to $738.1 million in 1986, with the value of crude oil production down 46.1 per cent and natural gas down 19.3 per cent from 1985.

Coal

The value of coal production in 1986 declined slightly to $1.00 billion from the final figure of $1.03 billion in 1985. The lower annual value was a result of lower coal prices combined with a slight drop in overall production of coal.

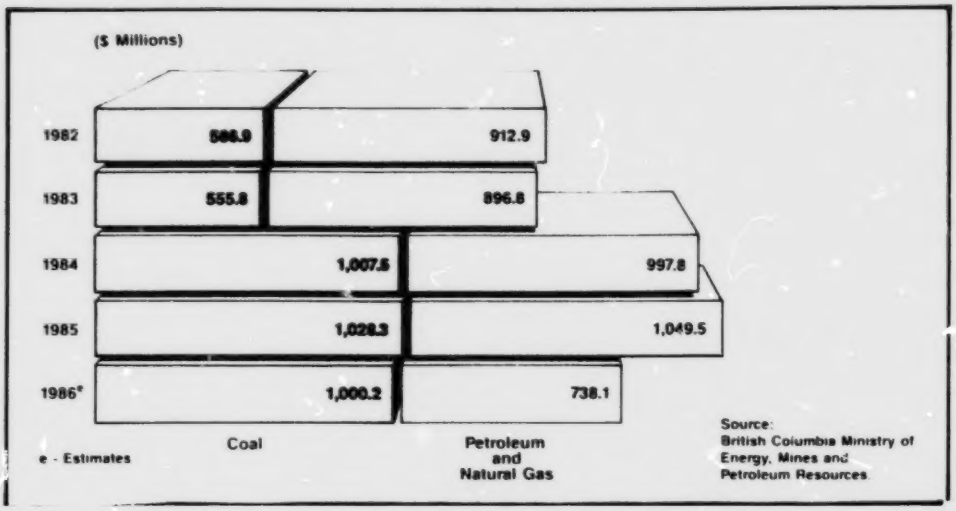
Table 6.6

Economic Indicators of Activity in Petroleum and Natural Gas

		1984	1985	1986	Change 1985–1986
					(per cent)
Oil production	(10^3m^3)	2,094	1,958	2,019	3.1
Natural gas production	(10^6m^3)	7,347	7,957	7,958	—
Number of wells authorized		284	272	141	−48.2
Number of wells drilled		198	237	161	−32.1
Seismic crew-weeks		238	271	182	−32.9
Provincial reserves					
Oil	(10^6m^3)	18.8	20.2	18.8	−7.0
Raw gas	(10^9m^3)	290	293	278	−5.2
Provincial government petroleum and natural gas revenue[1]	($000)	337,886	273,796	170,266	−37.8

[1] Provincial government revenue is reported on a fiscal year basis (e.g., 1986 represents the 1986/87 fiscal year).

Chart 6.5 Value of Petroleum, Natural Gas and Coal Production



Resource Management Programs

The Ministry of Energy, Mines and Petroleum Resources regulates the energy and mineral industries and ensures the orderly development of these resources. The ministry's responsibilities include mine worker safety, mine reclamation practices, administration of laws relating to mineral tenure, and geological, statistical and financial studies.

Mineral Development Programs

During 1986/87, the second year of the federal/provincial Mineral Development Subsidiary Agreement, $2.2 million was spent to encourage mineral development through studies of geology, infrastructure, markets and technology development. This program will provide $10 million over five years.

In 1986/87, the province announced a one year, $5 million Financial Assistance for Mineral Exploration Program (FAME) to promote private sector mineral exploration development. FAME provides risk capital for the discovery of new mines and to extend the economic life of developed mines.

Energy Policy

During 1986/87, policy initiatives focused on deregulation and an expanded role for private industry.

The wholesale price of natural gas, formerly set by the provincial Cabinet, was negotiated between distributors and the supplier, British Columbia Petroleum Corporation (see Chapter 4). Large gas users negotiated directly with producers, who were also allowed more price flexibility in export pricing, helping them to meet strong competition and develop markets for surplus gas.

As a result of this pricing flexibility and the steep decline in worldwide oil and gas prices, there was a significant drop in natural gas prices for gas sold in British Columbia and in United States markets.

Also during the year, the government agreed to allow private industry to build large electric power sources and is now considering changes to the *Utilities Commission Act* to permit the sale of such power to industrial customers using British Columbia Hydro transmission lines.

Three new agreements were signed under the *Industrial Electricity Rate Discount Act*. In recognition of the medium-term surplus of hydroelectric power in the province, the *Act* provides for rate discounts on incremental consumption by large qualifying consumers. The objectives of this program are to increase industrial output and improve British Columbia Hydro and Power Authority's financial position. At the end of 1986, 11 industrial customers had qualified for rate discounts of up to 50 per cent on sales.

By 1991, these agreements are expected to have contributed additional revenue of $33.5 million to British Columbia Hydro and $12.4 million to the province, while creating an additional 560 jobs.

British Columbia Hydro continued negotiating with utilities in the United States for firm long-term export contracts.

Tourism

The tourism industry in British Columbia has shown significant growth in the past three years. Tourism revenue in 1986 increased 34.7 per cent from 1985 to an estimated $3.24 billion (see Table 6.7). This increase was largely due to Expo 86 (see Topic Box on page 4) but followed solid gains in previous years, and early signs suggest 1987 will show good growth over 1985. More than one-half of the tourism expenditure in British Columbia accrues to the Lower Mainland and Vancouver Island areas of the province (see Map 6.5).

The number of visitors to British Columbia was estimated at 15 million during 1986, an increase of 21 per cent from the previous year, including significant increases in visitors from both the United States and overseas.

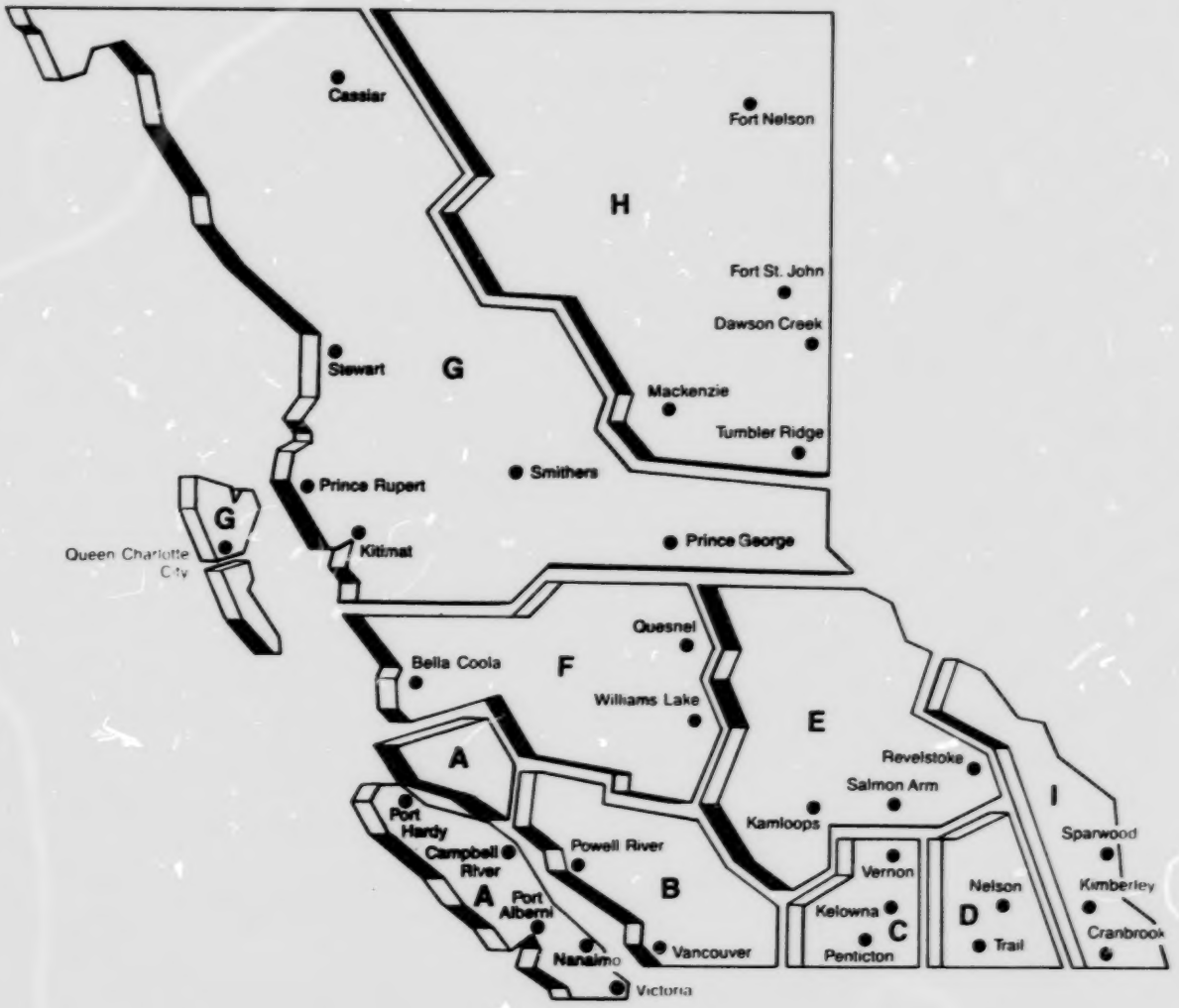
Table 6.7

Tourism Revenue

	1985	1986	Change 1985–1986
	($ millions)		(per cent)
Non-Residents			
Canadian	694	856	23.3
United States	508	834	64.2
Overseas	185	270	45.9
Total Non-Residents	1,387	1,960	41.3
Total British Columbians	1,019	1,282	25.8
Total	2,406	3,242	34.7

Source: British Columbia Ministry of Tourism, Recreation and Culture

Map 6.5 Provincial Tourism Regions



Regional Market Share of Tourist Expenditure, 1986

	Region	($ Millions)	Per Cent of Total
A	Vancouver Island	720	22.2
B	Southwestern B.C.	1,283	39.6
C	Okanagan Similkameen	331	10.2
D	Kootenay Country	105	3.2
E	High Country	249	7.7
F	Cariboo	102	3.1
G	North by Northwest	220	6.8
H	Peace River/Alaska Hwy.	67	2.1
I	Rocky Mountain	165	5.1
	TOTAL	3,242	100.00

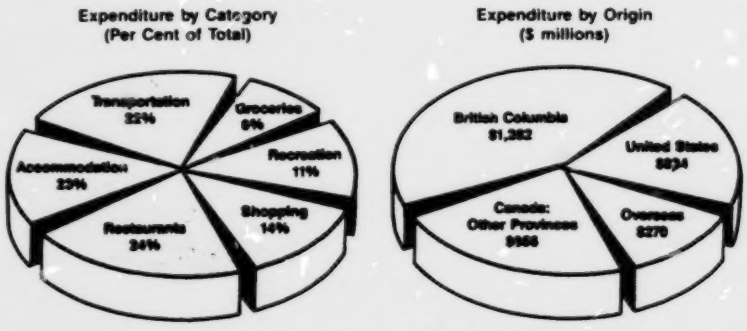
Source:
British Columbia
Ministry of Tourism,
Recreation and Culture

Tourism Programs

The government is working to develop tourism by marketing British Columbia as a travel destination and by assisting the tourism industry to become more competitive and to market itself more effectively.

The Ministry of Tourism, Recreation and Culture coordinates tourism advertising, visitor information centres within the province, sales offices in London (England), San Francisco, Los Angeles and Seattle, and provides accommodation counselling services. The ministry also promotes special events, provincial culture and heritage attractions, trade conventions and the commercial film industry. In 1986/87 the ministry spent more than $19 million on these activities.

Chart 6.6 Tourism in British Columbia, 1986



Expenditure by tourists reached $3.24 billion in 1986, up 34.7 per cent from 1985. Sixty-six per cent of tourist revenue was provided by visitors from within the province and other parts of Canada, while United States visitors accounted for the majority of the remainder.

Source: British Columbia Ministry of Tourism, Recreation and Culture.

Agriculture, Fish and Food Industry

British Columbia's agriculture, fish and food industry is a complex integrated system, contributing significantly to the provincial economy through the activity of farmers, fishermen, farm workers, suppliers of inputs to farmers and fishermen, food processing plants, distributors and retailers ranging from food stores and caterers to restaurants and institutional outlets. Value is added and employment created through the food related activities of firms, industries and agencies providing transportation, storage, financial services, packaging materials and processing equipment. More than 170,000 people are employed in the total food system.

Agriculture

Farm cash receipts were an estimated $1.0 billion during 1986, down slightly from the previous year (see Table 6.8). Severely depressed prices contributed to the 47.4 per cent decline in market receipts from grain and oil seeds, while reduced supplies and higher average prices led to the increase in hog receipts. Farm production expenses declined for the third consecutive year, falling to $809 million during 1986. After adjustments for inventory change, net farm income in 1986 was an estimated $250.2 million, an improvement of 23.3 per cent over 1985 (see Table 6.9).

Table 6.8

British Columbia Farm Cash Receipts

	1985 (revised)	1986	Change 1985–1986
	($ thousands)		(per cent)
Grains and oilseeds	49,303	25,918	47.4
Horticultural crops	201,954	187,523	7.1
Cattle and calves	149,590	157,520	5.3
Hogs	46,847	54,747	16.9
Dairy products	234,731	231,737	1.3
Poultry and eggs	151,196	160,419	6.1
Other products	192,198	185,226	3.6
Total	1,025,819	1,003,090	2.2

Table 6.9

Activity Indicators of the Agricultural Industry

		1985	1986	Change 1985–1986
				(per cent)
Number of agricultural holdings	(thousand)	20	19	– 5.0
Cultivated land area	(thousand hectares)	908	899	– 1.0
Farm cash receipts	($ millions)	1,026	1,003	– 2.2
Net farm income	($ millions)	202.9	250.2	23.3

Source: Statistics Canada, Agriculture and Natural Resources Division.

Aquaculture

Commercial fish farming is expanding rapidly. The number of fish farms increased to 82 in 1986 from 35 in 1985. Total production of fish farms, producing oysters, salmon and trout, was valued at $6.8 million, a 66 per cent increase over 1985.

The industry will be assisted by the introduction of policy changes affecting lease applications, environmental monitoring and educational programs, as recommended by a Commission of Inquiry in 1986.

Fisheries

Commercial fishing is a highly cyclical industry with landings dependent on fluctuations in individual fish stocks and prices dependent on world market conditions. In British Columbia, salmon generally accounts for 60 per cent of the value of landings while roe herring adds another 20 per cent. The remainder is halibut and a variety of groundfish and shellfish.

In 1986 the value of fish landings was estimated at $382 million, up 1.3 per cent from 1985 (see Table 6.10). This reflected strong salmon returns for the second consecutive year, while herring receipts were down 30.2 per cent due to a sharp drop in the catch. Groundfish receipts rose 25 per cent reflecting increased landings, especially of offshore hake.

Processing generally doubles the value of the fish catch and in 1986 the total processed value of commercial fish products was estimated at $690 million, down 5.2 per cent from 1985.

While the landed value of all salmon increased, the wholesale value of salmon products decreased slightly as changes in the species mix and some price declines offset the effect of increased total catch receipts.

Table 6.10

Value of Fish Production

	Landed Value			Change	Wholesale Value			Change
	1984	1985	1986[1]	1985–1986	1984	1985	1986[1]	1985–1986
	($ millions)			(per cent)	($ millions)			(per cent)
Salmon	145	247	**260**	5.3	276	512	**500**	2.3
Herring	45	63	**44**	-30.2	99	103	**70**	32.0
Halibut[2]	9	14	**18**	28.6	14	19	**20**	5.3
Groundfish[3]	26	32	**40**	25.0	52	64	**70**	9.4
Shellfish	18	21	**20**	-4.8	26	30	**30**	—
Total	243	377	**382**	1.3	467	728	**690**	5.2

[1] Preliminary
[2] Includes halibut landings at United States ports by British Columbia fishermen
[3] Includes hake landings to foreign vessels in co-operative fishing arrangements
Sources: Aquaculture and Commercial Fisheries Branch, Ministry of Agriculture and Fisheries
Statistics Division, Canada Department of Fisheries and Oceans

Food and Beverage Industries

The manufactured value of food and beverage products processed and marketed in British Columbia reached an estimated $3.29 billion in 1986, up 19.6 per cent from 1985. At the retail level, sales of food and non-alcoholic beverages from stores reached an estimated $6.2 billion, up 8.0 per cent from 1985. Sales by restaurants, caterers and taverns reached an estimated $1.61 billion, up 5.5 per cent from 1985.

Agriculture, Fish and Food Programs

During 1986/87, the Ministry of Agriculture and Fisheries administered programs designed to assist both producers and processors of agricultural and fish products. The programs emphasize marketing and productivity improvement and assist firms to increase the value of their product lines.

Marketing

Food Pacific 86, Canada's International Food Show, was held in Vancouver in conjunction with Expo 86. The exhibition included 80 local companies.

Farm Income Assurance

The Farm Income Assurance Program is a voluntary program with premium costs shared equally by producers and government. In 1986/87, the province contributed $18.0 million to the program. Claims paid for the same period totalled $36.0 million, primarily for beef and tree fruit producers. Program payments were generally lower as a result of improved commodity prices.

Agricultural Finance Programs

Programs under the *Agricultural Credit Act* include provincial guarantees to banks and credit unions in support of farm loans, partial reimbursement of farm loan interest costs, direct loans to a maximum of $50,000 to finance farmland

development and grants up to $40,000 to greenhouse operations as an incentive to adopt proven new technology.

The government has issued 434 guarantees totalling $47.0 million since 1974. At March 31, 1987, guaranteed loans outstanding totalled $5.8 million.

From its inception in 1974 until its discontinuation at the end of 1986/87, the Partial Interest Reimbursement Program paid $100.6 million to farm operators to reduce the effective interest rate on agricultural loans. Under the Agricultural Land Development Assistance Program, direct loans of $2.0 million were made to farmers in 1986/87. Total loans outstanding at March 31, 1987 amounted to $16.6 million.

The Grower Loan Program pays for the borrowing costs of tree fruit growers on operating loans from approved producer organizations. In 1986/87, a total of $182,000 was disbursed.

Farm Product Industry Improvement Account

Under the *Farm Product Industry Act*, this special account was established in 1974 to provide funds for grants, loans and loan guarantees for the development, expansion and modernization of processing facilities for British Columbia agricultural products. At March 31, 1987, loans totalling $136,000 were outstanding under the Act and the provincial government had an additional contingent liability of $3.0 million in loan guarantees.

The Food Industry Development Program assists small and medium-sized food processing firms with product development, processing technology and productivity improvement. In 1986/87, $777,600 was approved for 40 projects.

Agriculture and Food Development Agreement

Under the $40 million five-year Agriculture and Food Development Sub-Agreement signed with the federal government in July 1985, $9 million was allotted to productivity enhancement, $17.5 million to resource development and $13.5 million to commodity development.

Commitments in the three parts of the program totalled $8.7 million to March 31, 1987.

Aquaculture Programs

During 1986/87, the provincial government provided financial assistance to the aquaculture industry through various programs including the *Agriculture Credit Act*, the Aquaculture Incentive Program and the Small Business Venture Capital Program.

Fisheries Management Program

The provincial government, through fisheries management programs, conserves and manages freshwater fisheries, oyster stocks, and marine plants and associated habitats. These programs involve maintaining population and habitat inventories, regulating freshwater sports fisheries, conducting environmental research, monitoring aquaculture operations, licensing and regulating fish

processors and distributors, and representing the province in international fisheries negotiations.

Manufacturing

The value contributed by manufacturing to GDP in 1986 was $2.1 billion (in constant 1971 dollars), 3.1 per cent higher than in 1985. Three-quarters of British Columbia's manufacturing is attributable to resource processing which, in turn, is dominated by the large forest products industry.

Manufacturing shipments of the resource processing sector rose by 7 per cent in 1986 to more than $15 billion (current dollars). The largest increases were recorded by the food industry (16 per cent) and the paper and allied products industry (15 per cent). Petroleum and coal products declined 10 per cent, reflecting weak world energy prices.

Secondary manufacturing shipments rose by an estimated 10 per cent in 1986 to $5.5 billion. The largest increases in shipments were for furniture and fixtures, metal fabricating and clothing. (See Appendix Table 6.9.)

High Technology Industries

British Columbia's active high technology sector is playing an increasingly important role in the economy.

The electronics industry in British Columbia estimates its sales at $700 million in 1986, 26 per cent more than 1985, and employs more than 7,000 people. The industry comprises more than 200 manufacturers, mostly small to medium sized firms serving specialized markets.

Many British Columbia electronics companies have developed specialty markets by building on and supporting the resource industries, for example, through remote communications and resource management applications of electronics. World-class electronic hardware production includes: industrial controls, data communication systems, microprocessor-based control systems, printed circuit boards, robotics, machine vision, instrumentation, satellite imaging equipment, mobile communication equipment, and supervisory control and data acquisition systems.

The computer software industry in British Columbia has 11 per cent of the Canadian software market and made sales of more than $80 million in 1986. There are between 500 and 600 software developers working for approximately 200 development companies in the province. Only 10 per cent of these companies employ more than 50 people; most employ five or fewer.

Business and Industrial Development Programs

The Ministry of Economic Development is responsible for promoting regional and industrial development in British Columbia through a variety of intergovernmental and government industry programs and projects, including the Canada-British Columbia Economic and Regional Development Agreement (ERDA) (see below).

Small Business Services

During 1986, the Small Business Services Branch, through more than 80 community and college Business Information Centres operating throughout the province, responded to more than 150,000 requests for business information and counselling.

Community Economic Development

The Community Organizations for Economic Development Program, a principal program of the Provincial-Municipal Partnership Program, funds local economic development committees and projects. To date, more than $1.5 million has been approved to assist 50 committees and fund 82 regional promotions to attract investors.

Economic and Regional Development Program

The ten-year Canada-British Columbia Economic and Regional Development Agreement (ERDA), signed in November 1984, provides a framework for closer economic cooperation and coordination with the federal government by means of specific sub-agreements. Eight subsidiary agreements have been concluded to date under the ERDA, representing a joint commitment by the federal and provincial governments to invest $589.5 million over five years in key sectors of the British Columbia economy: forestry ($300 million), industrial development ($125 million), agriculture ($40 million), science and technology ($20 million), minerals development ($10 million), small business incentives ($50 million), tourism industry ($30 million) and the Victoria Convention Centre ($14.5 million).

All sub-agreements are funded equally by the federal and provincial governments.

Industrial, Small Business and Tourism Development

Programs under the $125 million Industrial Development Sub-Agreement support larger scale enterprises to improve the competitiveness of the resource sectors, aid diversification of the province's industrial base and encourage the use of advanced technology. The $50 million Small Business Incentives Sub-Agreement has programs providing financial incentives to manufacturers, processors, advanced technology companies and commercial aquaculture enterprises. Programs under the $30 million Tourism Industry Development Sub-Agreement provide incentives for destination resorts and attractions, international market development initiatives and research activities by industry. Since 1985, commitments under these programs total $52 million and are expected to generate $190 million in additional investment. (See Table 6.11.)

Table 6.11

Summary of ERDA Industrial, Small Business and Tourism Projects

Subagreement	Funds Available	Funds Approved	Number of Projects Approved	Estimated Number of Jobs Created	Additional Investment Generated
	($ millions)				($ millions)
Industrial Development	125	36	26	1,000	160
Small Business Development	50	10	160	1,700	16
Tourism Industry Development	30	6	63	145[1]	14
Total	205	52	249	2,845	190

[1] Relates to product development part of subagreement only; jobs created by market development and industry support are difficult to measure.

INTERNATIONAL FINANCIAL CENTRE — VANCOUVER

For the past two years, the provincial government has been working to develop Vancouver as an International Financial Centre. In the spring 1987 session of the British Columbia Legislative Assembly, two bills were introduced for discussion purposes which, if supported by federal measures and a strong commitment from the business community, could make this objective a reality.

This initiative requires a long term commitment. It is clear that Vancouver cannot, overnight, become another financial centre on the scale of London, New York or Tokyo. Vancouver does, however, possess a number of advantages, including economic stability, mild climate, good location, Pacific time-zone and close links with the Pacific Rim. In addition, Vancouver has the basic infrastructure so important to doing business in the modern world: communications, transportation, a thriving stock exchange, and access to world-class professional services.

The requirements for success are cost competitiveness and enough financial market participants to stimulate expansion. Costs include the costs of taxation and regulation, which government can help to minimize. To achieve the necessary level of activity, Vancouver has to be perceived to be more attractive than alternative locations. This means developing additional incentives and an effective promotional campaign.

The economic benefits to British Columbia and Canada, if Vancouver is successful, are significant but difficult to estimate. The benefits will take the form of additional high quality employment opportunities and a contribution to the area's reputation and expertise which will, inevitably, lead to business opportunities in other sectors.

The government firmly believes that the potential cost of encouraging international financial activity in Vancouver will be small, and that any new financial activity generated will provide a net positive benefit to British Columbia and Canada.

International Financial Business Acts:

Bills 49 and 50, the *International Financial Business (Tax Refund) Act* and the *International Financial Business Act* were introduced into the Legislative Assembly only for discussion because additional support from both the business community and the federal government is required. Also, the necessary legislation and regulations are complex and technical and it is important that the financial community have an opportunity to review and comment on the proposed legislation.

The *International Financial Business (Tax Refund) Act*, Bill 49, provides:

- refunds of British Columbia provincial corporate income tax to financial institutions in respect of income earned from international financial activities carried out in the Greater Vancouver region. International financial activity is defined in terms of a wide range of banking, trust, securities and insurance activities, carried on primarily with non-residents of Canada; and,
- refunds of British Columbia provincial personal income tax to selected specialists working in the institutions conducting international financial business.

The *International Financial Business Act*, Bill 50, provides for the incorporation of specialized subsidiaries by financial institutions. These subsidiaries will be permitted to undertake a wide range of financial activities with non-residents virtually free from provincial regulation. Apart from a strict prohibition on dealing with Canadians, financial markets will determine the services to be offered. These international financial business subsidiaries, as well as other financial institutions, will qualify for British Columbia provincial tax refunds under Bill 49.

Conclusion:

The next step is for the Province to work with the business community and the federal government to refine this legislation and to develop supporting federal measures. With a suitable commitment from business and the federal government, these measures could shape the financial sector in the coming decades into a significant source of prosperity for British Columbia.

Venture Capital Program	The Small Business Venture Capital Program, introduced in 1985, stimulates investment in small businesses in key growth industries. Investors in venture capital corporations receive tax credits equal to 30 per cent of their investment. To date, 60 venture capital corporations have been approved representing some $53 million in new equity capital.
Low Interest Loan Assistance	The British Columbia Enterprise Corporation administers the Low Interest Loan Assistance (LILA) Program. To date, $82.2 million in low-interest loans have been approved for 878 projects in the manufacturing and processing industry, resulting in the maintenance or creation of 6,580 jobs.

Table 6.12

Financial Incentives for Economic Development

The provincial government funds and administers a wide range of economic development programs which provide financial incentives directed toward strengthening and diversifying the provincial economy.

Program or Service	Purpose	Form of Assistance	Program Administrator
Research/Development:			
Discovery Enterprise Program	To accelerate the commercialization of advanced technology in British Columbia.	Loans and/or equity investments in development projects.	Discovery Foundation
Food Industry Development Program	To encourage the increased use of B.C. produce and food in the food service industry and to assist in the development and expansion of the processing sector of the B.C. food industry.	Grants are not to exceed 50% of eligible costs to a maximum of $50,000. The 3 categories to be considered are: (1) Food Product and Market Development (2) New Processing Technology Development (3) Productivity Advisory Services.	Ministry of Agriculture and Fisheries
Opportunity Identification and Assessment Program	Identify industrial development opportunities and issues.	Cost sharing with industry associations to conduct research studies and feasibility assessments.	Ministry of Economic Development
Technical Assistance Program (TAP)	To assist companies engaged in manufacturing/processing to hire professionals to assist in developing corporate plans and operations.	50% of the costs incurred, to a maximum contribution of $5,000 for studies (e.g. market, feasibility, productivity, etc.)	Ministry of Economic Development
Tourism Industry Support Program	To conduct major research activities of broad interest to the industry and to conduct specific opportunity identification research.	Contributions to B.C. tourism associations.	Ministry of Tourism, Recreation and Culture
Training/Management Development:			
Assistance to Associations Program	To aid business, trade and industry associations in providing management development opportunities to their members.	50% of costs up to maximum of $2,500 per year.	Ministry of Economic Development
Management Assistance Program (MAP)	To provide financial support for the hiring of outside consultants to assist in formal, in-depth studies of a specific management or planning aspect of a company's operations.	50% of the costs incurred, to a maximum of $5,000.	Ministry of Economic Development
Tourism Industry Support Program	To aid industry associations in the development and production of manpower and management training materials.	Contributions to B.C. tourism associations.	Ministry of Tourism, Recreation and Culture
JobTrac	To help people qualify for and find rewarding jobs. See Topic Box in Chapter 5.	Includes a number of wage subsidy and retraining support programs.	Ministry of Advanced Education and Job Training

Table 6.12

Financial Incentives for Economic Development — *Continued*

Program or Service	Purpose	Form of Assistance	Program Administrator
Capital Costs:			
Small Manufacturers' Incentive Program	To encourage small businesses engaged in processing, manufacturing and advanced technology to establish or expand production facilities for export sales or import replacement.	Interest free loans on 50% of equipment and leasehold improvement costs for a 3-year term, to a maximum of $50,000.	Ministry of Economic Development
Low Interest Loan Assistance Program (LILA)	To provide for the acquisition of new, advanced machinery and equipment, or to establish new processing facilities.	Low interest loans on one-third of equipment and leasehold improvement costs for a 3-year term to a maximum of $200,000. Maximum eligible costs are $900,000.	B.C. Enterprise Corporation
Industrial Development Assistance Program (IDAP)	To encourage businesses engaged in processing or manufacturing to establish, expand or modernize their operations.	Low interest loans on one-third of equipment and leasehold improvement costs for a 3-year term to a maximum of $500,000. Maximum eligible costs are $2 million.	B.C. Enterprise Corporation
B.C. Enterprise Corporation Loans	Encourage establishment or expansion of economic activity within the province.	Repayable term loan at fixed interest rates.	B.C. Enterprise Corporation
Aquaculture Incentive Program (AIP)	To encourage establishment and expansion of firms engaged in aquaculture production.	Interest free loans on 50% of equipment and leasehold improvement costs to a maximum of $100,000. Maximum eligible costs are $300,000.	Ministry of Economic Development
Resource Industry Value-Added Program	To assist new and existing companies to produce specialty products based on B.C.'s natural resources, or to utilize under-exploited resources.	Provides low interest loans for up to 50% of capital costs. Minimum project size is $2 million.	Ministry of Economic Development
Resource Industry Modernization Program	To assist existing manufacturing and processing companies in the resource sector to modernize operations by adopting new and advanced technology.	Provides contributions, normally repayable, for up to 30% of capital costs. Minimum project size is $2 million.	Ministry of Economic Development
Small Business Venture Capital Program	To encourage private sector investment in selected economic sectors, e.g., manufacturing and processing, research and development, tourist resorts, aquaculture.	Tax credits equal to 30% of investment in a venture capital corporation.	Ministry of Economic Development
Tourism Product Development	Development of destination resorts, events and attractions.	Low interest loans. Project must be part of a destination resort.	Ministry of Economic Development
Industrial Diversification Program	To encourage companies to undertake projects that use advanced technology and that are in industry sectors countercyclical to B.C.'s traditional resource-based industries.	Provides contributions of up to 30% of eligible capital costs and/or loans up to 50% of eligible capital costs. Minimum project size is $2 million.	Ministry of Economic Development
Export Assistance:			
Trade Mission Program	Trade missions to countries outside Canada sponsored and coordinated by ministry personnel.	All transportation costs associated with the mission, interpreters, and cost of hosting official receptions.	Ministry of Economic Development
Market Development Program	To assist firms to assess potential export market opportunities outside B.C. or to establish marketing arrangements.	One economy return air fare from B.C. to the designated market to a maximum of $2,000.	Ministry of Economic Development
Trade Show Assistance Program	To access national and foreign markets through participation of companies in trade shows outside B.C.	Provides assistance towards exhibit space rental costs to a maximum of $2,500.	Ministry of Economic Development

Source: Ministry of Economic Development.

International Trade and Investment Activities

The Ministry of Economic Development is responsible for matters relating to trade policy, international marketing and the encouragement of investment in the province. During the past year, the government's activities in all these areas have increased substantially.

Table 6.13

Activities of the Ministry of Economic Development, 1986

Activity	Number
Trade missions	13
British Columbia companies assisted in overseas market development	192
Incoming buyers	34
Companies given assistance to participate in trade shows	174

Trade Policy

The ministry has been actively involved in coordinating British Columbia's participation in the Canada/United States trade negotiations and in representing the province in federal/provincial meetings with the federal negotiating team, as well as in preparation for the new round of multilateral trade negotiations.

British Columbia Enterprise Centre

The British Columbia Enterprise Centre was officially opened by Premier Vander Zalm on June 19, 1987 to promote the province's trade and investment links with the world. The facility houses the Vancouver offices of the Ministry of Economic Development, as well as other related organizations such as the Discovery Foundation.

The Enterprise Centre offers three main services. The Information Business Centre provides business information and counselling for individuals wanting to start or expand small businesses. The International Opportunities Network provides information and consulting on trade opportunities. Finally, the Discovery Innovation Centre provides confidential service to innovators who wish to explore the commercial potential of their inventions.

Science and Technology Activities

The Ministry of Advanced Education and Job Training became responsible for provincial science and technology activities in April 1987.

Science Council of British Columbia

The Science Council of British Columbia advises the government on research and development priorities and, supported by the Secretariat on Science, Research and Development, provides funding for research. In 1986/87, the Science Council provided $2.9 million for applied research and development. The Council also funded programs that help students and graduates obtain research experience in industry, as follows: $520,000 for Graduate Research Engineering and Technology Awards, $234,000 for Industrial Post-Doctoral Fellowships and $282,000 for Training Employment in Science and Technology.

Discovery Foundation

The Discovery Foundation, a non-profit society, and its wholly-owned subsidiary, Discovery Parks Incorporated, were established to advance scientific, technological and industrial research parks. "Discovery Parks" currently operate adjacent to the British Columbia Institute of Technology, at Simon Fraser University, and at the University of British Columbia. Facilities developed to date include a multi-tenant facility accommodating 40 small and start-up technology-based companies at the BCIT-Willingdon site, and owner-occupied buildings such as Microtel Pacific Research at Simon Fraser University, the Pulp and Paper Research Institute of Canada at the University of British Columbia and the Enterra Group at the BCIT.

Discovery Foundation, through Discovery Enterprises Inc., administers the Discovery Enterprise Program which provides risk capital for the early stages of commercialization of advanced technology products and processes. Over the past four years $13.1 million has been committed to 35 projects.

British Columbia Research Council

The British Columbia Research Council, a non-profit organization, undertakes both government-funded research and contract research for industry. For 1986, revenues exceeded $8.2 million, of which 43.1 per cent came from industrial contract sources and 56.9 per cent from government contracts and grants. Of the latter amount, $1.0 million was approved by the Government of British Columbia as an operating grant and $500,000 to supplement the costs of industrial contracts through the Technology Assistance Program.

Science and Technology Development Sub-Agreement (ERDA)

The provincial government, in cooperation with the federal government, administers a $20 million five-year Science and Technology Sub-Agreement. The major program areas under the sub-agreement are computer sciences, micro-electronics, applied mathematics and robotics, biotechnology and university-industry liaison offices.

7
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Table 1.1

Real Gross Domestic Product by Industry

Year	Primary[1]	Manufacturing	Construction	Transport Communications and Utilities	Trade	Services[2]	Public Administration	Total[3]
				(1971 $ millions)				
1964	548	1,180	395	929	763	1,726	505	6,318
1965	563	1,230	499	970	832	1,876	519	6,852
1966	611	1,302	607	1,041	872	2,044	537	7,287
1967	647	1,331	649	1,066	932	2,186	559	7,592
1968	688	1,443	556	1,145	990	2,332	554	7,921
1969	696	1,540	637	1,195	1,094	2,564	605	8,446
1970	754	1,460	594	1,235	1,137	2,624	633	8,589
1971	693	1,615	721	1,357	1,183	2,826	637	9,033
1972	695	1,711	766	1,493	1,341	3,047	653	9,685
1973	914	1,876	882	1,752	1,448	3,308	710	10,661
1974	817	1,933	862	1,892	1,577	3,555	744	11,008
1975	704	1,765	894	1,887	1,571	3,632	815	10,802
1976	871	2,034	857	2,000	1,641	3,826	855	11,607
1977	940	2,006	873	2,025	1,631	4,098	851	12,073
1978	916	2,065	876	2,036	1,691	4,277	893	12,626
1979	972	2,209	954	2,201	1,856	4,507	895	13,163
1980	1,005	2,313	1,126	2,289	1,984	4,689	892	13,822
1981	959	2,326	1,252	2,408	2,013	4,994	886	14,612
1982	870	2,085	1,093	2,361	1,801	4,975	936	13,908
1983	937	2,027	1,035	2,383	1,769	5,152	920	13,933
1984	1,009	1,993	922	2,384	1,819	5,230	944	14,248
1985e	1,054	2,078	931	2,497	1,912	5,346	935	14,702
1986e	1,052	2,142	933	2,577	1,969	5,545	944	15,112

[1] Includes agriculture, primary forestry, mining and fishing and trapping.
[2] Includes finance, insurance and real estate and commercial, business and personal services.
[3] Differs from sum of industries due to an unallocated residual which results from the process of deflating nominal data.
e Estimates.
Source: British Columbia Economic Accounts and Ministry of Finance and Corporate Relations estimates.

Table 1.2

Summary Table of Economic Activity for British Columbia

	Units	1971	1972	1973	1974	1975
Annual aggregate indicators						
Population	thousands	2,185	2,241	2,302	2,376	2,433
Gross domestic product (at market prices)	$ millions	10,349	11,880	14,708	17,437	19,486
Personal income	$ millions	8,188	9,502	11,432	13,783	16,135
Capital investment	$ millions	2,899	2,895	3,433	4,096	4,423
Business incorporations	number	7,953	9,024	9,412	9,766	10,621
Labour statistics						
Labour force	thousands	899	938	987	1,040	1,087
Employment	thousands	834	865	920	976	995
Unemployment rate	per cent	7.2	7.8	6.7	6.2	8.5
Prices and earnings						
Consumer price index (Vancouver)	1981 = 100	41.8	44.1	47.3	52.8	58.6
Average weekly earnings	$	135.92	147.13	158.90	178.68	204.96
Wages and salaries	$ millions	5,411	6,182	7,378	8,912	10,437
Other indicators						
Manufacturing shipments	$ millions	4,237	5,021	6,394	7,411	7,326
Retail sales	$ millions	3,632	3,987	4,646	5,429	5,939
Housing starts	number	34,765	35,317	37,627	31,420	34,152
Non-residential building permits	$ millions	331	345	494	497	568
U.S. housing starts	thousands	2,052	2,357	2,045	1,338	1,160
Tourism revenue	$ millions	522	574	660	869	970
Commodity data						
Lumber production	thousand m^3	21,039	22,292	24,251	20,702	17,625
Pulp production	thousand tonnes	4,332	4,453	5,166	5,272	3,951
Newsprint, other paper and paperboard	thousand tonnes	1,739	1,777	2,010	1,947	1,490
Coal production	thousand tonnes	4,141	5,467	6,925	7,757	8,925
Farm cash receipts	$ millions	222	251	348	409	422
Petroleum and natural gas production	$ millions	99	106	124	233	321
Landed value of fish products	$ millions	59	75	130	101	80

[1] Includes some estimates.

1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986[1]	Change 1985–1986
											(per cent)
2,467	2,499	2,542	2,589	2,666	2,744	2,791	2,821	2,858	2,885	2,906	0.7
22,989	25,649	28,734	33,362	38,242	44,702	45,874	48,186	51,127	54,103	57,728	6.7
18,488	20,691	23,266	26,422	31,057	36,959	40,192	41,735	43,788	46,778	48,649	4.0
5,197	5,593	6,201	7,451	9,519	11,885	10,102	9,346	8,787	10,189	9,353	−8.2
12,642	13,509	15,215	17,616	21,380	23,368	11,432	13,787	14,052	15,581	17,067	9.5
1,117	1,148	1,202	1,239	1,301	1,361	1,370	1,389	1,410	1,431	1,457	1.8
1,021	1,050	1,103	1,144	1,213	1,270	1,204	1,197	1,202	1,228	1,274	3.7
8.6	8.5	8.3	7.6	6.8	6.7	12.1	13.8	14.7	14.2	12.6	N A
64.3	68.9	74.3	80.0	87.5	100.0	110.5	116.6	121.3	125.2	129.3	3.3
231.30	253.23	268.50	291.56	323.97	362.77	396.99	423.35	429.41	441.33	443.86	0.6
12,020	13,512	14,618	16,547	19,557	22,748	23,396	23,786	24,375	25,890	26,403	2.0
8,856	10,060	12,235	14,631	15,896	16,782	15,647	16,994	17,710	19,157	20,639	7.7
6,675	7,287	8,227	9,195	10,572	12,000	11,766	12,257	13,005	14,304	15,567	8.8
37,727	32,358	28,618	27,345	37,546	41,585	19,807	22,607	16,169	17,969	20,687	15.1
690	701	698	928	1,207	1,335	1,026	775	827	812	912	12.3
1,538	1,987	2,020	1,745	1,292	1,084	1,062	1,703	1,750	1,742	1,807	3.7
1,180	1,345	1,552	1,630	1,800	2,020	2,009	2,155	2,325	2,406	3,242	34.7
25,355	28,407	29,603	29,523	28,267	24,598	23,855	30,773	30,884	33,044	31,468	−4.8
5,347	4,877	5,382	5,324	5,717	4,813	4,759	5,572	5,191	5,848	6,173	5.6
1,963	1,993	2,163	2,129	2,152	1,870	1,905	2,158	2,085	2,500	2,601	4.0
7,538	8,424	9,464	10,570	10,824	11,753	10,646	11,480	20,740	22,553	21,518	−4.6
475	510	580	670	770	892	944	895	970	1,026	1,003	−2.2
421	550	569	896	828	885	913	899	998	1,050	738	−29.7
142	168	251	333	184	236	241	210	243	378	380	0.5

Table 1.3

Capital and Repair Investment

	1985[1]	1986[2]	1987[3]	Change 1985–1986	Change 1986–1987
		($ millions)		(per cent)	
Capital					
Housing	2,510.2	2,691.0	2,900.8	7.2	7.8
Transportation, communications and utilities	1,669.9	1,356.6	1,435.6	−18.8	5.8
Trade, finance and commercial	2,281.6	1,961.1	2,056.4	−14.0	4.9
Primary industries and construction industry	1,197.2	959.6	1,156.7	−19.8	20.5
Institutions and government departments	1,764.4	1,562.1	1,641.9	−11.5	5.1
Manufacturing	765.9	822.7	1,503.8	7.4	82.8
Total	10,189.2	9,353.1	10,695.2	−8.2	14.3
Repair					
Housing	313.1	319.8	327.1	2.1	2.3
Transportation, communications and utilities	874.7	912.2	922.5	4.3	1.1
Trade, finance and commercial	252.1	291.5	313.5	15.6	7.5
Primary industries and construction industry	825.8	777.4	823.5	−5.9	5.9
Institutions and government departments	387.4	419.4	435.0	8.3	3.7
Manufacturing	717.3	675.0	754.8	−5.9	11.8
Total	3,370.4	3,395.3	3,576.4	0.7	5.3
Total, Capital and Repair					
Housing	2,823.3	3,010.8	3,227.9	6.6	7.2
Transportation, communications and utilities	2,544.6	2,268.8	2,358.1	−10.8	3.9
Trade, finance and commercial	2,533.7	2,252.6	2,369.9	−11.1	5.2
Primary industries and construction industry	2,023.0	1,737.0	1,980.2	−14.1	14.0
Institutions and government departments	2,151.8	1,981.5	2,076.9	−7.9	4.8
Manufacturing	1,483.2	1,497.7	2,258.6	1.0	50.8
Total	13,559.6	12,748.4	14,271.6	−6.0	11.9

[1] Actual.
[2] Preliminary actual.
[3] Revised intentions.
Source: Statistics Canada Catalogue 61-205.

Table 1.4

Foreign Exports of Selected Major British Columbia Products[1]

	1976	1985	1986	Change 1985–1986
		($ millions)		(per cent)
Lumber	1,339.8	2,847.9	3,091.0	8.5
Pulp	1,191.5	1,594.5	1,980.5	24.2
Coal	291.5	1,617.8	1,493.7	−7.7
Newsprint	357.3	831.7	880.9	5.9
Natural gas	273.0	378.9	276.7	−27.0
Aluminum ingots	198.1	341.3	448.9	31.5
Copper ore and ingots	340.4	380.7	456.5	19.9
Fish products	176.1	449.2	582.7	29.7
Zinc ore and ingots	123.2	310.7	223.8	−28.0
Cedar shingles and shakes	95.9	236.3	237.5	0.5
Logs, poles and pulpwood	26.3	170.3	192.3	12.9
Chemicals and related products	47.3	209.6	127.1	−39.4
Machinery	46.0	212.1	186.6	−12.0
Food, feed and beverages (non-fish)	81.4	214.8	234.1	9.0
Silver, in metal, ores and concentrates	11.2	114.4	97.8	−14.5
Fuel oils	—	170.8	102.6	−39.9
Trucks	16.6	161.2	133.4	−17.2
Paper (except newsprint)	58.2	180.5	191.3	6.0
Plywood (softwood)	39.5	119.3	97.4	−18.4
Electricity	12.7	258.1	45.6	−82.3
Gasoline	2.7	186.2	73.7	−60.4
Asbestos	27.3	86.3	62.2	−27.9
Molybdenum concentrates	86.0	44.8	78.3	74.8
Pulpwood chips	16.7	74.0	66.8	−9.7
Paperboard	40.2	87.1	88.0	1.0
Gold, in metals, ores and concentrates	16.8	80.5	93.4	16.0
Lead ores and ingots	33.3	41.9	40.7	−2.9
Shipping containers	1.4	40.0	41.6	4.0
Communications/telecom. equipment	10.7	28.6	32.1	12.2
Metal bearing ores and concentrates, NES[2]	19.4	25.8	10.0	−61.2
Sulphur	0.6	40.9	48.4	18.3
Ships, boats, parts and engines	23.8	28.1	31.5	12.1
All other products	264.7	750.2	967.7	29.0
Total	5,269.6	12,314.5	12,714.8	3.3

[1] Estimated through all Canadian customs ports.
[2] NES — not elsewhere specified.

Table 1.5

Exports of British Columbia Products to the United States, Japan, United Kingdom and Other European Economic Community Countries

	United States				Japan			
	1976	1985	1986	Change 1985–1986	1976	1985	1986	Change 1985–1986
		($ millions)		(per cent)		($ millions)		(per cent)
Lumber	952.6	2,114.9	2,217.2	4.8	145.4	397.5	473.9	19.2
Shakes and shingles	93.6	233.2	234.2	0.4	—	0.1	0.2	100.0
Wood pulp	415.1	458.2	505.9	10.4	152.8	316.7	390.5	23.3
Newsprint	274.1	670.2	687.8	2.6	1.9	4.0	32.4	710.0
Other paper and paperboard	5.9	102.8	114.0	10.9	15.0	40.2	37.4	−7.0
Aluminum ingots	123.4	65.7	118.1	79.8	8.0	97.0	152.6	57.3
Zinc ingots	71.4	143.5	136.8	−4.7	—	4.3	3.9	−9.3
Lead ingots	13.2	22.1	24.1	9.0	0.8	—	—	—
Copper concentrates	—	—	3.6	—	253.7	303.1	365.7	20.7
Molybdenum concentrates	9.3	3.8	3.6	−5.3	30.6	11.0	19.4	76.4
Natural gas	273.0	378.9	276.7	−27.0	—	—	—	—
Coal	—	12.2	7.1	−41.8	266.8	1,134.9	1,064.2	−6.2
Fish products	27.5	83.7	104.5	24.9	73.5	210.0	247.5	17.9
Gasoline, fuel oils	2.8	317.1	142.1	−55.2	—	7.4	11.7	58.1
Machinery	46.0	141.2	150.9	6.9	1.3	2.5	2.3	−8.0
Trucks	15.0	156.1	131.2	−16.0	—	—	—	—
Electricity	12.7	258.1	45.6	−82.3	—	—	—	—
Food, feed and beverages (non-fish)	35.8	110.7	129.2	16.7	30.7	45.7	35.5	−22.3
Silver, in metals, ores and conc.	3.0	64.2	50.0	−22.1	7.7	47.2	43.7	−7.4
Chemicals and related products	47.3	83.7	59.7	−28.7	1.9	76.9	36.8	−52.1
Pulpwood chips	16.7	29.2	23.3	−20.2	—	42.8	43.5	1.6
Other	231.8	799.0	943.7	18.1	50.3	221.1	304.9	37.9
Total	2,670.2	6,248.5	6,109.3	−2.2	1,040.4	2,962.4	3,266.1	10.3

	United Kingdom				Other European Economic Community Countries[2]			
	1976	1985	1986	Change 1985–1986	1976	1985	1986	Change 1985–1986
		($ millions)		(per cent)		($ millions)		(per cent)
Lumber	101.8	93.6	173.2	85.0	71.0	77.6	118.4	52.6
Plywood	28.6	57.5	49.1	−14.6	9.9	46.3	31.0	−33.0
Wood pulp	100.4	64.4	71.3	10.7	415.5	432.8	587.4	35.7
Paper and paperboard[1]	32.8	36.2	43.3	19.6	26.5	30.6	37.9	23.9
Copper concentrates and ingots	—	—	—	—	6.4	0.6	1.9	216.7
Aluminum ingots	—	—	—	—	2.3	—	—	—
Zinc ingots	23.4	42.0	27.2	−35.2	1.4	5.3	0.7	−86.8
Lead ingots	13.1	12.7	9.7	−23.6	3.3	0.5	—	−100.0
Molybdenum concentrates	12.2	4.8	5.7	18.8	32.6	18.9	45.2	139.2
Asbestos fibres	3.2	6.1	4.3	−29.5	4.8	21.8	18.5	−15.1
Canned salmon	17.0	41.5	85.9	107.0	6.1	6.5	25.3	289.2
Food, feed and beverages (non-fish)	2.5	7.0	9.5	35.7	1.8	5.0	9.5	90.0
Other	16.4	39.9	38.7	−3.0	74.7	240.6	191.5	−20.4
Total	351.4	405.7	517.9	27.7	656.3	886.5	1,067.3	20.4

[1] Includes newsprint.

[2] Ireland, Denmark, Belgium, Luxembourg, France, West Germany, Italy, Netherlands, Greece, Spain, Portugal.

Table 1.6

Exports of Forest and Mineral Products to Major Countries

	Forest Products				Minerals[1]			
	1978	1985	1986	Change 1985–1986	1978	1985	1986	Change 1985–1986
		($ millions)		(per cent)		($ millions)		(per cent)
United States	1,787.9	3,838.6	4,040.7	5.3	612.1	1,098.8	835.5	−24.0
Japan	333.2	913.0	1,128.2	23.6	593.6	1,665.6	1,764.9	6.0
United Kingdom	264.1	253.6	340.9	34.4	53.7	88.9	63.4	−28.7
Other European Economic Community countries[2]	535.8	589.8	777.0	31.7	70.7	179.7	166.3	−7.5
Australia	84.4	147.6	145.0	−1.8	6.4	12.2	12.1	−0.8
People's Republic of China	28.4	148.3	108.5	−26.8	17.1	111.3	79.8	−28.3
South Korea	9.3	57.8	75.8	31.1	20.3	277.0	292.5	5.6
Other countries	147.8	384.9	452.3	17.5	102.7	458.5	361.7	−21.1
Total	3,190.9	6,333.6	7,068.4	11.6	1,476.6	3,892.0	3,576.2	−8.1

[1] Includes metals in ores and concentrates (iron, lead, zinc, copper, molybdenum, etc.); coal, crude petroleum and natural gas; crude non-metallic minerals (asbestos, clays, sand and gravel, sulphur, limestone, etc.); refined non-ferrous metals (lead, zinc, silver, aluminum, etc.) and petroleum and coal products (butane, propane, fuel oil, gasoline, etc.).

[2] Ireland, Denmark, Belgium, Luxembourg, France, West Germany, Netherlands, Italy, Greece, Spain, Portugal.

Table 1.7

Canadian Imports by Commodity Group Through Customs Ports in British Columbia

	1978	1985	1986	Change 1985–1986
		($ millions)		(per cent)
Food, feed, beverages and tobacco	439.2	997.5	1,149.8	15.3
Metal in ores, concentrates and scrap	110.1	174.5	194.5	11.5
Other crude materials[1]	106.0	207.1	215.5	4.1
Fabricated materials				
iron, steel and alloys	144.6	431.1	336.3	−22.0
chemicals, petroleum and coal products	117.6	276.8	311.9	12.7
wood products, pulp, paper and paperboard	143.4	229.4	274.8	19.8
textile fabricated materials	31.1	72.4	80.8	11.6
other fabricated materials[2]	178.1	317.1	358.1	12.9
Machinery, transportation and other equipment and tools	1,447.1	5,547.2	6,896.2	24.3
Personal and household goods[3]	171.4	414.3	511.9	23.6
All other products[4]	168.1	624.2	690.1	10.6
Total	3,056.7	9,291.6	11,019.9	18.6

[1] Includes inedible animal and vegetable products; non-fabricated wood and coal and petroleum products.

[2] Includes leather and rubber fabricated materials; oils, fats, waxes and derivatives; metal fabricated materials (excluding machinery and tools) and structural materials.

[3] Includes wearing apparel and accessories; house furnishings and utensils; toys, games and sporting goods; toiletries; jewellery and silverware.

[4] Includes magazines and newspapers; office supplies; photographic goods; firearms and medicinal and pharmaceutical products.

Table 1.8

Total Canadian Imports Through Customs Ports in British Columbia by Major Countries

	1975		1985		1986		Change in Value 1985–1986
	($ millions)	Per cent of total	($ millions)	Per cent of total	($ millions)	Per cent of total	(per cent)
United States	1,633.9	53.5	3,619.7	39.0	4,125.6	37.4	14.0
Japan	714.9	23.4	3,158.2	34.0	4,075.4	37.0	29.0
Australia	132.6	4.3	171.0	1.8	183.6	1.7	7.4
United Kingdom	73.7	2.4	127.9	1.4	111.3	1.0	−13.0
Other European Economic Community countries[1]	108.6	3.5	431.6	4.6	523.1	4.7	21.2
Other countries	393.0	12.9	1,783.2	19.2	2,000.9	18.2	12.2
Total	3,056.7	100.0	9,291.6	100.0	11,019.9	100.0	18.6

[1] Ireland, Denmark, Belgium, Luxembourg, France, Federal Republic of Germany, Netherlands, Italy, Greece, Spain, Portugal.

Table 2.1

Summary of Major Tax Changes Effective in 1986 and 1987 (to June 1, 1987)

Assessment Act

- Effective for the 1986 taxation year, grazing licences and other short-term Crown tenures are exempt from property tax.
- Commencing September 30, 1987, the property tax assessment of private forest land will be revised.
- The phase-out of property taxes on machinery and equipment is completed effective for the 1987 and subsequent tax years.

Education (Interim) Finance Act

- The phased-in reduction of non-residential school tax rates on industrial and business/other property to a ratio of 2:1 of the residential school tax rate, is completed in 1987.
- The school tax rate on utilities property is reduced from 3.5:1 to 2.5:1 relative to the residential school tax rate, commencing in 1987.

Corporation Capital Tax Act

- The tax is eliminated for all corporations except major banks and trust companies with paid-up capital in excess of $500 million for fiscal years ending after April 1, 1987.
- Effective April 1, 1987, provincial income tax is deductible from corporation capital tax otherwise payable.

Home Owner Grant Act

- The minimum amount of property tax payable after deduction of the basic home owner grant was raised to $200, effective January 1, 1986 and is increased to $350 effective January 1, 1987.
- Effective January 1, 1986, the supplementary home owner grant of $630 was extended to home owners housing handicapped relatives.
- Commencing in the 1987 taxation year, the minimum property tax payable by those receiving the supplementary home owner grant is increased from $1 to $100.

Hotel Room Tax Act

- The tax rate is increased from 7 per cent to 8 per cent, effective March 20, 1987.
- Effective March 20, 1987, municipalities, regional districts or other eligible entities may apply to have the provincial government levy an extra hotel room tax of up to 2 per cent on their behalf.

Income Tax Act

- The general corporation income tax rate is reduced to 15 per cent, effective January 1, 1987, and is scheduled to be reduced to 14 per cent effective January 1, 1988.
- The corporate tax rate for small businesses is increased from 8 per cent to 11 per cent, effective for taxation years ending after July 1, 1987.
- Commencing with the 1987 taxation year, British Columbia's personal income tax surtaxes are eliminated and the basic personal income tax rate is increased from 44.5 per cent to 51.5 per cent of basic federal tax.

Insurance (Motor Vehicle) Act

- The exemption for the Insurance Corporation of British Columbia from the insurance premium tax is eliminated effective April 1, 1987.

Insurance Premium Tax Act

- Commencing January 1, 1986, the general insurance tax rate was increased from 2 per cent to 3 per cent and marine insurance on pleasure craft was included in the tax base at a rate of 1 per cent in 1986, increasing to 3 per cent by 1988.
- The exemption for British Columbia headquartered general insurance companies which was to have come into force on January 1, 1987 is repealed.

Motor Fuel Tax Act

- Tax rates under the *Motor Fuel Tax Act* were capped for the 1986-87 fiscal year at the March 31, 1986 levels.
- Commencing April 1, 1987, the tax rate on leaded fuel is increased by 2¢/litre and the transit levy is increased from 0.95¢/litre to 2.5¢/litre.
- The tax on gasohol, a combination of ethanol and gasoline, will be reduced by 2¢/litre upon proclamation. At present, gasohol is taxed at the same rate as unleaded gasoline.

Property Purchase Tax Act

- Commencing March 23, 1987, the ad valorem land registration fees are replaced by a property purchase tax imposed at a rate of 1 per cent on the first $200,000 of value transferred and 2 per cent on value in excess of $200,000.

Social Service Tax Act

- Effective March 20, 1987, the following changes are introduced:
  - —a tax rate reduction from 7 per cent to 6 per cent;
  - —an exemption for knitting yarns and natural fibres;
  - —an exemption for grinding media, drill bits and explosives used in the mining industry;
  - —exemptions for certain items used in the agriculture and aquaculture industries;
  - —an exemption for all restaurant meals (previously restaurant meals of $7 or more were subject to tax);
  - —an exemption or refund in cases of repossessions, sale and leaseback arrangements, and purchases of claiming horses where the items are re-acquired by the same owner; and,
  - —elimination of the exemption for leases under one month.
- Upon proclamation, out-of-province television marketing companies will be required to collect and remit sales tax on sales to British Columbia residents.

Taxation (Rural Area) Act

- Effective January 1, 1986, the rural area tax rate for residential and recreational/non-profit organization classes was increased from $1.30 to $1.40 per $1,000 of actual value.

Table 2.2

Comparative Provincial Tax Rates, July 29, 1987

	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	Newfoundland
Provincial personal income tax (per cent of family income)[1]	6.0	6.0	7.1	6.7	5.8	7.6	6.7	6.5	6.1	6.9
Corporation income tax (per cent of taxable income)										
General rate[2]	15	15	17	17	15.5	5.9	15	15	10	16
Small business rate	11	5	10	10	10	3.22	5	10	10	10
Corporation capital tax (per cent of taxable paid up capital)										
Non-financial corporations	*Nil*	*Nil*	0.5	0.3 0.5	0.3	0.48	*Nil*	*Nil*	*Nil*	*Nil*
Financial institutions	2.0	*Nil*	3.0	3.0	0.6 0.8	0.9	2.0	1.5	*Nil*	2.0
Insurance premiums tax (per cent)	2-3	2-3	2-3	2-3	2-3	2-3	2-3	2-3	2	4
Gasoline tax[3]										
Cents per litre	7.49	5	7.0[4]	8.0	8.3	14.4	8.3	8.3	8.9	9.8
Retail sales tax[5] (per cent)	6	*Nil*	7	7	7	9	11	10	10	12
Tobacco tax (cents per package of 25 cigarettes)[5]	97	100	117	137	90	113	106	112.5	87.5	158

[1] Calculated for a single wage earner with an income of $35,000 per year, a dependent spouse and two dependent children.
[2] British Columbia rate will be reduced to 14 per cent, effective January 1, 1988.
[3] Tax rate is for regular unleaded fuel used on highways.
[4] Saskatchewan residents eligible for rebate of tax on fuel purchased in Saskatchewan.
[5] Includes provincial sales tax where applicable.

Table 2.3

Provincial Taxes

Type	Title and Statutory Reference	Tax Base	Tax Rate	Characteristics
Income	*Income Tax Act* (R.S.B.C. 1979, c. 190; 1980, c. 12, s. 7; 1980, c. 50, s. 46; 1981, c. 6; 1982, c. 18; c. 58; 1983, c. 18; 1984, c. 6; c. 13; 1985, c. 31, c. 37; 1986, c. 10, c. 11; 1987, c. 8; c. 43, s. 38–41)	Net income: (1) Corporation (2) Personal	15% of taxable income reduced to 14% January 1, 1988 (11% for small businesses) 51.5% of basic federal tax payable	Collected under agreement by Revenue Canada. Refundable venture capital tax credit for individuals, non-refundable venture capital tax credit for corporations; other non-refundable tax credits for claims against personal and corporate income tax include: Logging Tax Credit, Provincial Political Contributions Tax Credit and Provincial Royalty Tax Rebate.
Capital	*Corporation Capital Tax Act* (R.S.B.C. 1979, c. 69; 1980, c. 4; c. 36, s. 16; 1982, c. 6; c. 43, s. 8; 1983, c. 6, s. 1-2; 1985, c. 24; 1987, c. 4; c. 18, s. 1)	Taxable paid-up capital of $500,000 or more for taxation years ending after April 1, 1987	Banks and Trust Companies: 2 per cent if taxable capital exceeds $500 million	Exemptions—Effective April 1, 1987, the tax only applies to large banks and trust companies.
Real Property Transfers	*Property Purchase Tax Act*, S.B.C. 1987, c. 15; c. 44, s. 37)	Fair market value of property or interest in property transferred	One per cent on the first $200,000 of value transferred and two per cent on amounts in excess of $200,000	Numerous exemptions are provided, including the transfer of a principal residence, recreational residence or family farm to a related individual, an inter-spousal transfer of property pursuant to a written separation agreement or court order, transfers of property to local governments, transfers of property to registered charities and educational institutions, transfers of property to veterans under the *Veterans' Land Act* (Canada), and transfers of leases of less than 31 years duration. A number of technical exemptions are also provided.
Retail sales	*Social Service Tax Act* (R.S.B.C. 1979, c. 388; 1980, c. 52; c. 10, s. 119; c. 49, s. 12; 1981, c. 8; c. 29; c. 15, s. 159–160; 1982, c. 39; 1983, c. 27; c. 6, s. 30–34; c. 20, s. 49–51; 1985, c. 32; 1986, c. 23, s. 16–22; 1987, c. 17; c. 18, ss. 15–20)	Purchase and lease price of tangible personal property	General rate 6% Liquor 6%	Collected through vendors and lessors registered under the act, and paid by purchaser and lessees. The many exemptions generally fall into four categories: (1) Items considered to be basic necessities of life such as food, children's clothing and prescription medicaments; (2) Assistance to certain industries such as the exemption of special equipment used by *bona fide* farmers, fishermen and aquaculturists and the exemption of grinding media, explosives and drill bits used in mining; (3) Safety related equipment such as high visibility vests, steel toed boots and life jackets. (4) Energy conservation products including heat pumps, insulation material and wood stoves.
Accommodation	*Hotel Room Tax Act* (R.S.B.C. 1979, c. 183; 1981, c. 5, s. 31–32; c. 15, s. 103; 1982, c. 10, s. 12–22; 1983, c. 6, s. 13–16; 1984, c. 4; c. 26, s. 73; 1985, c. 27; 1986, c. 23, s. 6–8; 1987, c. 7; c. 18, s. 6)	Purchase price of accommodation	8%. Effective March 20, 1987, eligible local governments may apply to have the province levy an additional tax of up to 2 per cent in specified areas on their behalf	Exemptions include accommodations rented for a period in excess of two months; lodging provided in hospitals and nursing homes; lodging supplied to employees by employers, lodging on ships or trains, hotel rooms not used for accommodation; charges of $10 or less per day; charitable institutions; trailer parks and campsites; and establishments with accommodations for less than four tenants.
Tobacco	*Tobacco Tax Act* (R.S.B.C. 1979, c. 404; 1981, c. 5, s. 55–57; c. 15, s. 164; 1982, c. 29; 1983, c. 11; c. 6, s. 38–40; 1985, c. 33; 1987, c. 7; c. 18, s. 23)	By cigarette, cigar retail price, and weight on other tobacco products	3.88¢ per cigarette; 4¢ to 33¢ per cigar, 77% of retail price on cigars of more than 49¢; 22.5¢ per ½ oz. of tobacco (or 40.5¢ for 25 grams)	Tax rates on cigarettes and tobacco adjusted semi-annually, based on Vancouver consumer price index subcomponent for tobacco products. Rates quoted effective March 1, 1987 to August 31, 1987.

Table 2.3

Provincial Taxes—*Continued*

Type	Title and Statutory Reference	Tax Base	Tax Rate	Characteristics
	Mineral Land Tax Act (R.S.B.C. 1979, c. 260; 1980, c. 35; 1981, c. 19; c. 20)	Assessed value of freehold mineral land and production tracts	Basic undesignated mineral land: 62¢–$2.47 per hectare Producing land: 12.50¢ per $1,000 of assessed value	Rates of tax set on sliding scale, dependent on amount and designation of land. The assessed value of production tracts is based on the value of mineral production from the tract in the previous year.
Insurance	*Insurance Premium Tax Act* (R.S.B.C. 1979, c. 205; 1980, c. 12, 5, 8, 9; 1981, c. 5, s. 34; 1982, c. 10, s. 24; 1983, c. 6, s. 17-18; c. 20, s. 27; 1985, c. 28; 1986, c. 13; 1987, c. 11; c. 18, s. 9–10)	Direct premiums written	3% for general insurance; 2% for life, sickness, personal accident and loss of salary and wages insurance. Marine pleasure craft premiums taxed at 2%, increasing to 3% Jan. 1, 1988	Exemptions—Benefit societies; mutual corporations with 50% of income from farm or 100% from religious, educational, or charitable institutions; marine, except pleasure craft; approved medical or hospitalization plans.
	Fire Services Act (R.S.B.C. 1979, c. 133; 1980, c. 13; 1981, c. 15, s. 95; 1982, c. 49; 1987, c. 18, s. 2–3)	Direct premiums written for fire hazard	1%	Exemptions—Insurance Corporation of British Columbia (basic automobile insurance only).
Real property	*Taxation (Rural Area) Act* (R.S.B.C. 1979, c. 400; 1980, c. 12, s. 17-18; c. 18, s. 21-22; c. 49, s. 14; 1981, c. 5, s. 52-54; 1982, c. 27-28; 1983, c. 24, s. 37; c. 6, s. 36-37; c. 20, s. 52; 1984, c. 25, s. 65; 1985, c. 20, s. 37, 38; 1987, c. 2, s. 4; c. 31; c. 18, s. 21–22)	Assessed value of land and improvements in rural areas (outside municipalities). Assessment determined under *Assessment Act*		Property is assessed at actual value. Different tax rates apply to different classes of property.
			Residential 0.14%, increasing to 0.17% Jan. 1, 1988	Residential property and vacant land having no present use which is not specifically held for business, commercial, forestry or industrial purposes.
			Utilities (0.46%)	Property used or held for transportation by railway, transportation by pipeline, communication by telephone or telegraph, transmission of electricity or transmission of closed circuit television.
			Forestry (0.40%)	Land used for forestry purposes.
			Industrial (0.44%)	Property used or held for the purpose of extracting, processing, manufacturing, transporting or storing of any product.
			Tree Farm (0.80%)	Privately owned land managed as a tree farm. To encourage sustained yield forestry practices on privately owned forest land, assessed value is capitalized net return.
			Recreational Property/ Non Profit Organization 0.14%, increasing to 0.17% Jan. 1, 1988	Property used on a seasonal basis to provide overnight sleeping accommodation, land used for specified outdoor recreational activites and property used by non-profit organizations under specified conditions.
			Farm (0.05%)	Land used for farming. Improvements on farmland exempt, fruit trees exempt. Assessed at value as a farm.
			Business/Other (0.32%)	All property not contained in any other class.
Non-residential school tax	*Education (Interim) Finance Act* (S.B.C. 1982, c. 2; 1982, c. 76, s. 12; 1983, c 10, s. 21; c. 14, s. 1–2; c. 20, s. 12–14; c. 23, s. 17, c. 24, s. 14–16; 1984, c. 18, s. 1–10; 1985, c. 20, s. 19, 20; 1986, c. 7)	Assessed value of non-residential land and improvements. Assessment determined under *Assessment Act*	Tax rates vary by class of property and school district.	Tax revenue is used to finance public schools education.

Table 2.3

Provincial Taxes—*Continued*

Type	Title and Statutory Reference	Tax Base	Tax Rate	Characteristics
Motor fuel	*Motor Fuel Tax Act* (S.B.C. 1985, c. 76; 1986, c. 18; 1987, c. 13)			Tax rates are adjusted quarterly. All quoted rates effective July 1, 1987 to September 30, 1987. The tax generally applies to all fuels used in internal combustion engines. Different tax rates apply to fuels used for different purposes. Compressed natural gas and propane used to propel motor vehicles are exempt. Handicapped persons who drive their own vehicles are entitled to refunds of tax paid under the Act.
		Clear gasoline (unleaded)	7.49¢ per litre	Tax rate is 20% of pretax retail price for gasoline.
		Clear gasoline (leaded)	9.49¢ per litre	Tax rate is the rate for unleaded gasoline plus 2¢ per litre.
		Motive fuel	7.93¢ per litre	Tax rate is the rate for unleaded gasoline plus 0.44¢ per litre. Tax applies to any fuel except leaded and unleaded gasoline, gasohol, natural gas, propane and butane used in a motor vehicle. Refunds are available for motive fuel used in private passenger vehicles.
		Coloured fuel, marine diesel fuel	2.62¢ per litre	Tax rate is 7% of pretax Vancouver retail price for gasoline. Coloured fuel may only be used for specified primary production and industrial uses.
		Aviation and locomotive fuel	2.62¢ per litre	Tax rate is 7% of pretax Vancouver retail price for gasoline. Tax applies to aviation fuel purchased or loaded into the fuel tank of an aircraft within British Columbia. Tax applies to locomotive fuel used within the province.
		Natural gas used in stationary engines	7% of purchase price if purchased, 1.1¢ per 810.32 litres if used but not purchased	Tax applies to natural gas used in stationary engines other than pipeline compressors.
		Natural gas used in pipeline compressors	1.1¢ per 810.32 litres	Tax applies to natural gas used in a stationary engine at a natural gas or oil pipeline compressor station.
		Marine bunker	7 per cent of purchase price	Tax applies to bunker fuel, or a combination of bunker and other fuels used as fuel in a ship.
Race-meetings	*Horse Racing Tax Act* (R.S.B.C. 1979, c. 175; 1980, c. 19; 1982, c. 10, s. 9-10; 1986, c. 23, s. 4–5; 1987, c. 18, s. 5)	Parimutuel betting pool	7%	3.5% of tax paid to increase purses, maintain a breeders incentive fund, make grants for breeders societies, operate race courses and horse racing meets, and for equine health research. Net rate to province is 3.5%.
Natural resources	*Logging Tax Act* (R.S.B.C. 1979, c. 248; 1981, c. 5, s. 36–38; 1982, c. 10, s. 26-27; 1983, c. 6, s. 19-20; 1984, c. 7, s. 15; 1986, c. 23, s. 11–13; 1987, c. 18, s. 11–12)	Net income from logging in excess of $25,000	10% (Fully recoverable against federal and provincial corporation income tax)	Net income from logging after deducting investment and non-forestry income and a processing allowance.
	Mining Tax Act (R.S.B.C. 1979, c. 267; 1980, c. 12, s. 10-11; 1981, c. 5, s. 39–41; 1982, c. 10, s. 28-29; 1983, c. 6, s. 21-22; 1986, c. 23, s. 14–15; 1987, c. 18, s. 13–14)	All income from mining operations if mining income exceeds $50,000	15%	Net income from mining after deducting investment and non-mining income and a processing allowance. Tax not applicable to petroleum, natural gas, or minerals taxed under the *Mineral Resource Tax Act*.
	Mineral Resource Tax Act (R.S.B.C. 1979, c. 263; 1980, c. 27; 1982, c. 43, s. 18–22)	Net income from individual mining operations (metallic minerals) other than coal, sand, gravel and certain other industrial minerals. No tax on first $50,000 for unincorporated mines or partnerships	17.5%	Net income after deductions including: accelerated capital cost allowances, exploration and development expenses, depletion and processing allowances. Tax is calculated on a mine by mine basis.

Table 3.1

Major Provincial Programs for Local Government

Type	Statutory Reference	Basis	Rate	Remarks
PROVINCIAL GOVERNMENT PROPERTY				
Provincial government property grant	*Municipal Aid Act*	Assessed value of improved properties	The individual tax rates of the municipality and regional district containing the property	
REVENUE SHARING				
Unconditional municipal grant	*Revenue Sharing Act*	Municipal population, expenditure and assessment	80 per cent of available funds distributed in proportion to population; 20 per cent in proportion to expenditure and assessment	Largest single source of municipal grants
Basic municipal grant	*Revenue Sharing Act*	Municipal status	$40,000 minimum per municipality; $80,000 maximum	
Water facilities assistance (old)	*Revenue Sharing Act*	Local area taxable capacity	75 per cent of excess annual debt-servicing cost over a basic 2½ mill real property tax levy	Grants continuing until expiry of approved debt
Sewerage facilities assistance (old)	*Revenue Sharing Act*	Local area taxable capacity	75 per cent of excess annual debt-servicing cost over a basic 2½ mill real property tax levy	Grants continuing until expiry of approved debt
Water facilities assistance (new)	*Revenue Sharing Act*	Capital cost of approved projects	25–50 per cent of approved costs, subject to other limits and high cost grant	Replaced "old" program in 1983
Sewerage facilities assistance (new)	*Revenue Sharing Act*	Capital cost of approved projects	25–50 per cent of approved costs, subject to other limits and high cost grant	Replaced "old" program in 1983
Major municipal highway grants	*Revenue Sharing Act*	Approved construction or acquisition costs	50 per cent of shareable costs	Designed to promote transportation networks and associated land use
Municipal planning grants	*Revenue Sharing Act*	Approved costs for plan preparation	Amount varies according to approved planning costs	Annual ceiling of $1 million
Regional district basic grant	*Revenue Sharing Act*	Regional district status	$30,000 per regional district	
Regional district administration grant	*Revenue Sharing Act*	Regional district status	$10,000 per regional district	Unconditional
Regional district planning grant	*Revenue Sharing Act*	Approved costs for plan preparation	Amount varies according to approved planning costs	Annual ceiling of $1 million

Appendix 4: Crown Corporations and Enterprises

Table 4.1

Major British Columbia Crown Corporations and Enterprises

Corporate Entity	Statutory Authority	Minister Responsible	Functions
British Columbia Assessment Authority	*Assessment Authority Act*	Minister of Finance and Corporate Relations	Assessment of all real property within the province for taxation purposes.
British Columbia Hydro and Power Authority	*Hydro and Power Authority Act*	Minister of Energy, Mines and Petroleum Resources	Generation, transmission and distribution of electricity; distribution of gas; rail freight transportation.
British Columbia Railway Company	*British Columbia Railway Act*	Minister of Transportation and Highways	Operation of railway.
Insurance Corporation of British Columbia	*Insurance Corporation Act*	Minister of Labour and Consumer Services	Provision of automobile insurance.
British Columbia Ferry Corporation	*Ferry Corporation Act*	Minister of Transportation and Highways	Operation of coastal ferry service.
British Columbia Petroleum Corporation	*Petroleum Corporation Act*	Minister of Energy, Mines and Petroleum Resources	Purchase and resale of natural gas and natural gas by-products.
British Columbia Steamship Company (1975) Limited	*Ministry of Transportation and Highways Act; Canada Corporations Act*	Minister of Transportation and Highways	Operation of daily summer ferry service between Victoria and Seattle, Washington.
Provincial Rental Housing Corporation	*Ministry of Social Services and Housing Act; Company Act*	Minister of Social Services and Housing	Holding provincial ownership in public housing units.
British Columbia Housing Management Commission	*Ministry of Social Services and Housing Act*	Minister of Social Services and Housing	Management of provincial and federal-provincial public housing units and administration of rent supplement programs.
British Columbia Buildings Corporation	*British Columbia Buildings Corporation Act*	Provincial Secretary and Minister of Government Services	Provision of accommodation for government ministries and certain government entities.
British Columbia Systems Corporation	*System Act*	Minister of Finance and Corporate Relations	Provision of data processing services for government ministries and certain government entities.
British Columbia School Districts Capital Financing Authority	*School District Capital Finance Act*	Minister of Finance and Corporate Relations	Provision of capital funds required by school districts.
British Columbia Regional Hospital Districts Financing Authority	*Hospital District Finance Act*	Minister of Finance and Corporate Relations	Provision of capital funds required by regional hospital districts.
British Columbia Educational Institutions Capital Financing Authority	*Educational Institution Capital Finance Act*	Minister of Finance and Corporate Relations	Provision of capital funds required by universities, colleges and institutes.
British Columbia Transit	*British Columbia Transit Act*	Minister of Municipal Affairs	Provision and maintenance of public transportation systems.
Liquor Distribution Branch	*Liquor Distribution Act*	Minister of Finance and Corporate Relations	Purchase, distribution and sale of alcoholic beverages.
Provincial Capital Commission	*Capital Commission Act*	Minister of Municipal Affairs	Protection and enhancement of the Capital Improvement District and management of properties in Commission control.
British Columbia Enterprise Corporation	*British Columbia Enterprise Corporation Act*	Minister of Economic Development	Joint enterprise land development including British Columbia Place site; administration of economic development programs.
British Columbia Lottery Corporation	*Lottery Corporation Act*	Provincial Secretary and Minister of Government Services	Development, conduct and management of lottery operations on behalf of the provincial government, and in conjunction with the governments of other provinces.
British Columbia Pavilion Corporation	*British Columbia Place Act*	Minister of Economic Development	Management of public facilities including the Vancouver Trade and Convention Centre and British Columbia Place Stadium.

Table 5.1

Major Provincial Programs for People

Type	Statutory Reference	Basis	Rate	Remarks
EDUCATION PROGRAMS				
Public schools	*School Act, Education (Interim) Finance Act*	Approved operating and capital costs of each school district	(a) Under the *Education (Interim) Finance Act*, introduced in 1982-83, the province pays a base grant to each school district consisting of a percentage of the district's shareable operating expenses. School districts are eligible for an additional grant determined on the basis of wealth as measured by the residential assessed values per pupil. The shareable operating expenses, and the percentages applicable to the calculations of the base grant and additional grant are determined annually based on enrolments, approved levels of service and other budgetary requirements (b) The province funds 87 per cent of debt service costs through voted appropriations and non-residential property taxes. The remaining 13 per cent is funded through residential property taxes.	Statutory levy on non-residential property is determined annually.
Independent schools	*School Support (Independent) Act*	Operating support contributions (number of students and type of program)	Based on 10 per cent (Group 1) and 35 per cent (Group 2) of the public school per pupil operating cost.	
Universities	*University Act*	Operating contributions	(a) Contributions for operating expenses approved on recommendation of Universities Council	
		Capital contributions	(b) Full cost of servicing debt for approved capital projects and acquisition of certain equipment items	
Colleges and Provincial Institutes	*College and Institute Act*	Operating contributions (number of students and type of program)	(a) Contributions for operating expenses approved by the Ministry of Advanced Education and Job Training	
		Capital contributions	(b) Full cost of servicing debt for approved capital projects and acquisition of minor capital items	
British Columbia Institute of Technology	*Institute of Technology Act*	Operating contributions (number of students and type of program)	(a) Contributions for operating expenses approved by the Ministry of Advanced Education and Job Training	
		Capital contributions	(b) Full cost of servicing debt for approved capital projects and acquisition of minor capital items	
Student Assistance	*College and Institute Act*	Need	Loans repaid above $12,000 for a first degree and above $16,000 for a second degree; loans and grants provided up to $5,800 for single students and up to $7,200 for students with dependents; other special assistance programs also available.	
HEALTH PROGRAMS				
Hospital care (including construction and equipment)	*Hospital Insurance Act*	In-patient care (includes acute, rehabilitation and extended care)	Payment of direct operating contributions to hospitals for care of all qualified provincial residents	Patient charge of $16.40 *per diem* for extended care (not applicable for persons under the age of 19).
		Out-patient care	Payment made for a wide range of services, including day-care surgery	
		Hospital equipment	Contributions of 33 to 100 per cent on major moveable depreciable equipment	
	Hospital District Act	Approved capital costs	60 per cent of debt service costs for approved construction and fixed equipment up to an amount equalling a levy, as prescribed in the Act, on the net taxable value of land and improvements, plus 80 per cent of any remaining expense	
Continuing care				
(A) Residential care	*Community Care Facility Act*	Need	Individual pays 75 per cent of the OAS/GIS rate *per diem* for basic accommodation; province provides balance (approx. $5 to $45 per day)	Includes private hospitals, community care facilities and extended care hospitals.
(B) Home care				
(a) Home care nursing and home preparation		Need	Province pays 100 per cent	
(b) Homemaker services	*Guaranteed Available Income for Need Act*	Need	User charge levied based on income	Province pays up to 100 per cent (including federal government contributions minus the user contribution).
Medical services	*Medical Service Act*	Premium rates	Medical services monthly premium rates effective April 1, 1987, are: $20 per single person, $37 per family of two and $42 per family of three or more	
		Income or need	Subsidy of 95 per cent of medical care premiums for those with taxable income in previous year and estimated taxable income in current year of $2,500 or less; 55 per cent subsidy for those with taxable income between $2,500 and $3,500	
Ambulance service	*Health Emergency Act*	Transportation, resuscitation and advanced life support	Net cost paid by province	Patient (resident of province) charged fee of $28 plus 29 cents per kilometre over 40 kilometres, up to a maximum $180.

Table 5.1

Major Provincial Programs for People—*Continued*

Type	Statutory Reference	Basis	Rate	Remarks
PROPERTY TAX RELIEF PROGRAMS				
Home owner property tax grants	*Home Owner Grant Act*	Per eligible home owner	$380 plus additional $250 for home owners 65 and over, for certain persons on income assistance or pension and for eligible handicapped persons.	Minimum tax payable, $350; $100 if eligible for supplemental grant; applies first to school taxes.
Real property tax deferment	*Land Tax Deferment Act*	Per resident home owner age 65 or over, widowed spouse, handicapped	Deferment of 100 per cent of net property tax	Deferred taxes allowed only where property is owner occupied.
HOUSING PROGRAMS				
B.C. Housing Management Commission	*Ministry of Lands, Parks and Housing Act*	Income and housing need	Rent is subsidized to 30 per cent of income for units operated by BCHMC and designated units in non-profit and private market housing.	
B.C. Second Mortgage	*Home Purchase Assistance Act*	Established residency and home cost	Second mortgage of up to $10,000 providing applicant has not benefitted previously	Application may be made within one year after purchase of home; available on new or used housing under $85,000 in value.
Non-Profit Program	*Ministry of Lands, Parks and Housing Act*	Seniors, families and older singles in core housing need	Operating subsidies for the difference between 30 per cent of clients' income and the economic rent for the unit	Province may lease site to sponsor.
Special Purpose Housing	*Ministry of Lands, Parks and Housing Act*	Group homes for the mentally and physically disabled, and others; intermediate care	Mortgage interest written down to 2 per cent	Operating subsidies are provided by the Ministries of Health and Social Services and Housing.
INCOME ASSISTANCE AND SOCIAL PROGRAMS				
Income assistance (social allowance, age benefits and supplement to old age security, and handicapped persons' income assistance)	*Guaranteed Available Income for Need Act*	Income and need	Benefits are determined by factors such as age, length of time on Income Assistance, family size and employability	Province pays 100 per cent of allowance and recovers 50 per cent in federal contributions in most cases.
		Disability and need	Single handicapped person, $574 monthly maximum; couple, with one person handicapped, $905 monthly; couple, both persons handicapped, $1,048	Province pays 100 per cent (including federal contribution).
Elderly renters' assistance	*Shelter Aid for Elderly Renters Act*	Tenants age 65 and over receiving Old Age Security and in financial need	Monthly payments equal to 75 per cent of rent in excess of 30 per cent of income	Maximum claimable rent of $365 per month for a couple and $330 per month for a single person.
Health care services	*Guaranteed Available Income for Need Act*	Need	Comprehensive health care to some recipients of income assistance and to children in care	Province pays 50 to 100 per cent, depending on the type of expenditure and the amount of federal contribution.
Pharmacare	*Guaranteed Available Income for Need Act*	Age or income	(a) Free prescription drugs for persons aged 65 and over, long-term care residents and unemployable and handicapped GAIN clients; persons aged 65 and over pay 75 per cent of dispensing fees to an annual maximum of $125 after which full benefits are provided by Pharmacare. (b) 80 per cent subsidy of prescription drug costs over $275 for a family or for a single person in each calendar year	Province pays 100 per cent (including federal contribution).
Services for the mentally retarded	*Guaranteed Available Income for Need Act*	Income or need	Institutional and community based residential care; achievement centres; community living skills	Province pays up to 100 per cent according to type of expenditure (including federal contribution).
Family support homemaker services	*Guaranteed Available Income for Need Act*	Need	Temporary homemaker services for the care of children	Province pays up to 100 per cent (including federal contribution).
Child day care and special needs day care	*Guaranteed Available Income for Need Act*	Income and need	Subsidy for each child	Province pays up to 100 per cent (including federal contribution).
		Approved emergency repair or relocation costs	Grants to non-profit daycare centres up to $5,000	Province pays 100 per cent (including federal contribution).
Infant development program	*Guaranteed Available Income for Need Act*	Need	Fully subsidized	
Family and children's services (protection services, payments to foster, group and special care homes, special services to children, rehabilitation resources, family support, homemaker services and adoption programs)	*Family and Child Service Act*	Need and or income	(a) Foster care rates effective January 1, 1987: $188.38 to $319.66 per month according to age; special rates for authorized care or services (b) Other services provided through a contracted basis, subsidy to parents, or contributions to a community agency	Province pays up to 100 per cent according to type of expenditure (including federal contribution).
Community projects	*Guaranteed Available Income for Need Act*	Approved operating costs	Contributions for various community-based projects and services, including crisis centres, family support and counselling, youth programs, programs for handicapped, volunteer bureaus and multi-service agencies	Province pays 100 per cent (including federal contribution).
Individual Opportunity Program (Incentive allowance, employment opportunity program, job action, work clothing and transportation, education and training assistance, work activity projects and employment incentives for the handicapped)	*Guaranteed Available Income for Need Act*	Income and Need	Assistance and incentives vary among programs	Various forms of incentives and assistance to prepare income assistance recipients for return to work.

Table 5.1

Major Provincial Programs for People—*Continued*

Type	Statutory Reference	Basis	Rate	Remarks
OTHER PROGRAMS				
Highways	*Highway Act*	Provincial highways in municipalities	Arterials, 100 per cent; secondary, 50 per cent for capital works, 40 per cent for maintenance	
Urban transit	*British Columbia Transit Act*	Planning and funding of transit services	Shared-cost formula with users, the province and municipalities contributing	
Regional and community parks	*Park (Regional) Act, Ministry of Environment and Parks Act*	Assistance to municipalities and regional districts through the provision of Crown grants for regional and community park purposes		
Library grants	*Library Act*	Population served (and area served in the case of regionally organized libraries)	Rates are established annually	
Provincial guaranteed debt	.....	.....	Guaranteed debt of self-liquidating obligations of municipalities and other local entities for water, sewerage, drainage, schools, post-secondary institutions, hospitals, etc., at March 31, 1987, was $2,269.2 million.	Province provides grants covering specified proportions of debt-service costs.

Table 6.1

Physical Attributes of British Columbia

Geography	The province of British Columbia is located on the Pacific coast and has a land and freshwater area of 95 million hectares. It is the third largest Canadian province, comprising 9.5 per cent of Canada's land area. The province's 7,022-kilometre coastline supports a large shipping industry through ice-free, deep-water ports. The province has about 54 million hectares of forest, 2.7 million hectares of arable land, 6.6 million hectares of grazing land and 3.6 million hectares of lakes and rivers.
Geology	Mineral deposits are widespread. Copper occurs along the coast and often occurs with molybdenum, iron and tungsten in the Interior. The Southeast has lead/zinc deposits, sometimes occurring with silver. Gold is found in several regions. The Northeast has oil and gas deposits east of the Rocky Mountains. Although no commercial discoveries of petroleum have been made west of the Rockies, exploratory drilling has been done in the Interior and on the continental shelf. The northeastern and southeastern regions of the province and the east coast of Vancouver Island have extensive coal reserves.
Climate	The Coast Region has abundant rainfall and mild temperatures. In the warmer south, rainfall ranges from 65 to 130 centimetres per year, concentrated in the winter months. Elsewhere on the Coast, rainfall ranges from 130 to 380 centimetres per year. The Interior Region, east of the Coastal Mountains and west of the Rocky Mountains, has a continental climate, with low precipitation and seasonal temperature extremes. In the cooler north, annual precipitation is slightly higher than in the south, and the frost-free period is short and unreliable. The Northeast Region is a northern extension of the Alberta prairie, with a climate more extreme than the Northern Interior and summers long enough to grow a variety of crops.

Table 6.2

Volume of Mature Timber

Species	Coast Volume	Per Cent of Coast	Interior Volume	Per Cent of Interior	Total Volume	Per Cent of Total
	(thousand cubic metres)		(thousand cubic metres)		(thousand cubic metres)	
Hemlock	1,355,235	40.7	499,922	10.2	1,855,157	22.5
Spruce	172,556	5.2	1,558,723	31.7	1,731,278	21.0
Balsam	550,462	16.5	964,130	19.6	1,514,592	18.4
Lodgepole pine	18,809	0.6	1,214,149	24.7	1,232,958	15.0
Red Cedar	756,756	22.7	165,604	3.4	922,360	11.2
Douglas fir	272,520	8.2	264,017	5.4	536,537	6.5
Other coniferous	185,864	5.6	52,229	1.1	238,094	2.9
Deciduous	15,642	0.5	193,946	3.9	209,588	2.5
Total	3,327,844	100.0	4,912,720	100.0	8,240,564	100.0

Source: Ministry of Forests and Lands, Planning and Inventory Branch.

Table 6.3

Timber Scaled by Species

Species	1976	1984	1985	1986[1]	1986 Per Cent of Total
	(thousand cubic metres)				
Balsam	9,351	9,121	9,574	9,737	12.6
Cedar	8,191	8,636	8,419	8,014	10.3
Douglas fir	9,233	7,698	8,563	8,404	10.8
Lodgepole pine	11,294	15,819	17,137	18,581	24.0
Spruce	14,462	19,239	18,677	18,265	23.6
Hemlock	15,002	11,996	12,759	12,682	16.4
All others	1,988	2,048	1,740	1,820	2.3
Total	69,521	74,557	76,869	77,503	100.0

[1] Ministry of Forests and Lands, *Monthly Timber Scale Report*. Subject to revision.

Table 6.4

Metal, Mineral, Coal, Petroleum and Natural Gas Production

	Unit	1984 Quantity	1984 Value	1985 Quantity	1985 Value	1986[1] Quantity	1986[1] Value
Metals		(000)	($ millions)	(000)	($ millions)	(000)	($ millions)
Copper	(kilograms)	280,070	517.8	301,649	579.7	332,084	619.5
Gold	(grams)	7,244	118.1	6,769	94.5	8,732	154.9
Iron concentrates	(tonnes)	198	6.6	88	3.8	64	3.5
Lead	(kilograms)	85,147	37.9	116,811	42.4	103,204	36.9
Molybdenum	(kilograms)	12,165	113.8	6,624	63.2	10,213	74.4
Silver	(grams)	363,378	121.4	378,173	101.0	405,272	99.7
Zinc	(kilograms)	95,335	115.2	108,073	112.7	137,687	134.4
Other		—	6.1	—	8.2	—	8.1
Total		—	1,036.9	—	1,005.5	—	1,131.4
Industrial Minerals							
Asbestos	(tonnes)	92	75.3	89	56.7	80	49.6
Sulphur	(tonnes)	509	27.2	501	42.9	497	73.9
Other		—	12.2	—	11.4	—	9.1
Total		—	114.7	—	111.0	—	132.6
Structural Materials							
Cement	(tonnes)	939	69.9	988	74.5	1,013	78.7
Sand and gravel	(tonnes)	29,346	77.3	49,007	117.0	41,900	106.6
Other		—	44.9	—	41.3	—	49.3
Total		—	192.1	—	232.8	—	234.6
Coal	(tonnes)	20,740	1,007.5	22,613	1,028.3	21,518	1,000.2
Total solid minerals		—	2,351.2	—	2,377.6	—	2,498.8
Petroleum and Natural Gas							
Crude oil	(cubic metres)	2,094	434.6	1,958	427.6	2,020	230.3
Natural gas to pipeline	(thousand cubic metres)	7,769	518.7	8,322	575.2	7,600	464.4
Other		—	44.5	—	46.7	—	43.4
Total		—	997.8	—	1,049.5	—	738.1
Totals, all metals, minerals and fuels		—	3,349.0	—	3,427.1	—	3,236.9

[1] Estimated.

Conversion table:

.9072 tonnes (t) = one short ton.
.4536 kilograms (kg) = one pound.
31.1035 grams (g) = one troy ounce.
.1590 cubic metres (m^3) = one barrel.
.0283 cubic metres (m^3) = one standard cubic foot.

Table 6.5

Historical Metal, Mineral, Coal, Petroleum and Natural Gas Production

	($ millions)		($ millions)
1972	636.2	1980	3,077.0
1973	1,109.4	1981	3,008.7
1974	1,264.2	1982	2,797.1
1975	1,364.1	1983	2,854.6
1976	1,520.3	1984	3,349.0
1977	1,788.2	1985	3,427.2
1978	1,972.1	1986 (estimate)	3,236.9
1979	2,949.5		

Table 6.6

Power Generation and Consumption in British Columbia (gigawatt-hours)

Year	UTILITIES		INDUSTRIES			TOTAL GENERATION	EXCHANGES WITH ALBERTA & U.S.		TOTAL PROVINCIAL CONSUMPTION
	Hydro-electric	Thermal	Hydro-electric	Hydro-mechanical	Thermal		Import	Export	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1976	28,578	195	8,129	82	1,664	38,648	1,200	3,304	36,544
1977	32,367	245	8,963	78	1,606	43,259	1,002	5,735	38,526
1978	30,292	116	10,407	70	1,720	42,605	1,520	3,918	40,207
1979	29,465	532	11,703	73	1,713	43,486	1,732	3,652	41,566
1980	29,345	800	11,663	75	1,735	43,618	2,757	3,499	42,876
1981	37,906	183	11,616	0	1,520	51,225	1,140	8,970	43,395
1982	37,757	183	8,491	0	1,643	48,074	2,308	6,595	43,787
1983	36,276	145	8,682	0	2,256	47,359	2,443	5,158	44,644
1984	41,905	156	9,182	0	1,999	53,242	1,534	8,107	46,669
1985	47,464	151	9,698	0	1,879	59,192	1,080	11,231	49,041
1986	39,835	155	9,397	0	1,703	51,090	3,345	4,156	50,279

Sources: Columns (1)–(4), (7) in part and (8) in part from Water Management Branch records — data provided by licensees.
Column (5), (7) in part and (8) in part from Statistics Canada Catalogue 57-001.

Table 6.7

Principal Producers of Electric Power in British Columbia

	Installed Capacity at March 31, 1987 (Kilowatts)		
	Hydro	Thermal	Combined
Utilities			
British Columbia Hydro and Power Authority	9,571,002	1,129,190	10,700,192
Central Coast Power Corporation	1,500	—	1,500
Kitasoo Hydro	960	—	960
Northern Canada Power Commission	—	650	650
The Corporation of the City of Nelson	8,995	—	8,995
Tsawataineuk Band Council	75	—	75
West Kootenay Power and Light Co. Ltd.	184,875	—	184,875
Sub Totals—Utilities	9,767,407	1,129,840	10,897,247
Forest Products Companies			
B.C. Forest Products Ltd.	—	71,050	71,050
British Columbia Timber Ltd.	—	44,500	44,500
Canadian Forest Products Ltd.	—	5,350	5,350
Cariboo Pulp and Paper Co. Ltd.	—	28,000	28,000
Crestbrook Pulp and Paper Co. Ltd.	—	15,000	15,000
Crown Forest Industries Ltd.	75	35,555	35,630
Evans Products Co. Ltd.	—	7,500	7,500
MacDonald Ranch and Lumber	320	—	320
MacMillan-Bloedel Ltd.	74,980	113,250	188,230
Northwood Pulp Co.	—	56,800	56,800
Tahsis Company	—	29,464	29,464
Weldwood Company of Canada Ltd.	—	6,500	6,500
Western Forest Industries	—	1,700	1,700
Western Pulp Ltd.	4,587	39,800	44,387
Weyerhaeuser Canada Limited	—	41,000	41,000
Sub Totals—Forest Products	79,962	495,469	575,431
Mining Companies			
Alcan Smelters and Chemicals Ltd.	812,800	—	812,800
Cassiar Mining Corporation	—	15,675	15,675
Cominco Ltd.	468,800	—	468,800
Dickenson Mines Ltd.	200	—	200
Placer Development Limited	—	2,250	2,250
Teck Corporation	—	800	800
Westmin Resources Ltd.	11,160	7,050	18,210
Sub Totals—Mining	1,292,960	25,775	1,318,735
Other Industries			
British Columbia Packers	—	1,410	1,410
B.C. Sugar Refining Co. Ltd.	—	5,500	5,500
Westcoast Transmission Company Limited	—	7,500	7,500
Walden North Enterprises	450	—	450
Sub Totals—Other Industries	450	14,410	14,860
Miscellaneous Hydro	957	—	957
Totals	11,141,736	1,665,494	12,807,230

Sources: Hydro plant installations from Water Management Branch records.
Thermal plant installations from Statistics Canada 57-206.

Table 6.8

Ten Largest Powerplants in British Columbia

Name	River	Capacity (MW) Installed	Capacity (MW) Ultimate	Owner
G. M. Shrum (W.A.C. Bennett Dam)	Peace	2,730	2,730	B.C. Hydro
Revelstoke	Columbia	1,843	2,764	B.C. Hydro
Mica	Columbia	1,736	2,610	B.C. Hydro
Kemano	Nechako	813	1,611	Alcan
Peace Canyon	Peace	700	700	B.C. Hydro
Kootenay Canal	Kootenay	529	529	B.C. Hydro
Seven Mile	Pend Oreille	525	639	B.C. Hydro
Bridge River	Bridge	438	438	B.C. Hydro
Waneta	Pend Oreille	360	720[1]	Cominco
Jordan River	Jordan	150	150	B.C. Hydro

[1] Estimate.

Table 6.9

Value of Manufacturing Shipments

Industry	1984	Per Cent of Total Manufacturing	1985	Per Cent of Total Manufacturing	1986	Per Cent of Total Manufacturing	Change 1985–1986
	($ millions)		($ millions)		($ millions)		(per cent)
Wood	4,542	25.6	5,162	26.9	5,510	26.7	6.7
Paper and allied products	3,131	17.7	3,403	17.8	3,929	19.0	15.5
Food	2,250	12.7	2,369	12.4	2,740	13.3	15.7
Refined petroleum and coal products	2,200	12.4	2,416	12.6	2,179	10.6	−9.8
Fabricated metal products	790	4.5	818	4.3	928	4.5	13.4
Primary metals	844	4.8	806	4.2	788	3.8	−2.2
Transportation equipment	683	3.9	743	3.9	785	3.8	5.7
Chemicals and chemical products	577	3.2	581	3.0	608	2.9	4.6
Machinery (except electrical machinery)	368	2.1	394	2.0	451	2.2	14.5
Non-metallic mineral products	450	2.5	453	2.4	474	2.3	4.6
Electrical and electronic products	216	1.2	214	1.1	241	1.2	12.6
Clothing	135	0.8	149	0.8	168	0.8	12.8
Furniture and fixtures	104	0.6	109	0.6	132	0.6	21.1
Other	1,420	8.0	1,540	8.0	1,706	8.3	10.8
Total	17,710	100.0	19,157	100.0	20,639	100.0	7.7

Source: Statistics Canada, Catalogue 31-001.
Note: Based on the 1980 Standard Industrial Classification.

APPENDIX 7

THE PROVINCE OF BRITISH COLUMBIA

PRELIMINARY UNAUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 1987

This section includes the preliminary unaudited financial statements of the government of the Province of British Columbia for the year ended March 31, 1987 prepared by the Comptroller General from the accounts of the government.

The accounts of the government are subject to examination by the Auditor General who is required to report annually to the Legislative Assembly on the financial statements of the government. The Report of the Auditor General on the complete financial statements for the year ended March 31, 1987 will be included in the annual Public Accounts which will be available after submission to the Legislative Assembly.

Government Accounting Policies

A full statement of the provincial government's accounting policies is contained in the Public Accounts. The most important features of the policies can be summarized as follows:

- The main reporting entity is the Consolidated Revenue Fund (Combined Funds), which combines the General Fund and Special Funds.
- All revenue and expenditure of the Consolidated Revenue Fund is recorded on an accrual basis of accounting, with certain limited exceptions.
- Assets are recorded on the government's balance sheet only to the extent that they represent financial claims by the government. Similarly, liabilities are recorded only if they represent financial claims against the government. Payments to acquire fixed assets are recorded as expenditure.

Government Accounts

The Consolidated Revenue Fund, which includes the General Fund and Special Funds, comprises all money over which the Legislature has the power of appropriation. The General Fund includes the principal operating accounts and Special Accounts of the provincial government. Special Accounts are statutory appropriations established by the Legislature to fund specific programs, which may extend over several fiscal years. Special Funds consist of certain earmarked revenues and money set aside in past years using General Fund surpluses and current revenue. Revenue and expenditure of Special Funds is included in the Consolidated Revenue Fund statements.

Transactions of the Consolidated Revenue Fund are classified as either operating or financing and working capital transactions. Operating transactions include direct expenditure on goods and services, transfer payments and grants, as well as revenue from taxation, royalties, fees and licences, contributions from government enterprises and payments from the federal government. The excess (shortfall) of revenue over expenditure represents the annual surplus (deficit) of the Consolidated Revenue Fund. Financing and working capital transaction represent either a source or use of funds. They do not cause a change in the annual surplus (deficit) but only a change in the composition of the provincial government's assets and liabilities.

The net equity (net deficiency) of the provincial government is the difference between the provincial government's financial assets and its financial liabilities. The annual surplus (deficit) on transactions of the Consolidated Revenue Fund is credited to (charged against) net equity (net deficiency).

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Table 7.1

Consolidated Revenue Fund Balance Sheet at March 31, 1987 (Unaudited)

	1987	1986
ASSETS	($ thousands)	
Cash and temporary investments	114,342	227,503
Accounts receivable	815,609	692,184
Inventories	105,305	109,653
Investments in and amounts due from Crown corporations and agencies	1,030,035	380,770
Loans, advances and other investments	155,603	180,812
Mortgages receivable	305,363	281,272
Fiscal Agency loans	2,236,928	1,824,005
Other assets[1]	121,732	127,964
	4,884,917	**3,824,163**
LIABILITIES		
Accounts payable and accrued liabilities	1,099,712	1,001,195
Due to Crown corporations and agencies	226,565	143,009
Deferred revenue	213,020	210,627
Public debt:		
Issued for Government purposes	4,799,449	3,197,088
To finance Fiscal Agency loans	2,236,928	1,824,005
	8,575,674	**6,375,924**
NET EQUITY		
Net equity (deficiency)—end of year	**(3,690,757)**	**(2,551,761)**
	4,884,917	**3,824,163**
CONTINGENCIES AND COMMITMENTS		
Guaranteed Debt	**10,299,941**	**11,975,001**
TRUST FUNDS	**14,471,798**	**13,287,139**

[1] Fixed assets such as buildings, roads, bridges, furniture and most Crown land are reported at a nominal value of $1.

Table 7.2

Consolidated Revenue Fund Revenue and Expenditure
for the Fiscal Year Ended March 31, 1987 (Unaudited)

	Estimates 1987	Actual 1987	Actual 1986
REVENUE		($ thousands)	
Taxation	5,188,000	4,862,907	4,649,401
Natural resources	681,000	656,594	699,553
Other	577,000	593,863	606,829
Contributions from government enterprises	430,000	447,605	398,375
Contributions from the federal government	1,892,000	1,994,119	1,825,640
Total revenue	**8,768,000**	**8,555,088**	**8,179,798**
EXPENDITURE			
Health	2,679,660	2,838,659	2,587,103
Social services	1,604,347	1,534,336	1,526,900
Education	1,910,809	1,899,410	1,735,223
Transportation and communications	964,437	975,418	1,081,048
Natural resources, trade and industrial development	701,409	617,257	659,881
Protection of persons and property	437,464	453,257	427,117
Aid to local government	396,746	392,322	297,901
Debt servicing[1]	457,900	393,941	341,894
General government	141,546	195,563	161,304
Housing	94,353	94,732	87,887
Recreation and cultural services	77,918	66,658	67,456
Other	176,411	232,531	172,576
Total expenditure[2]	**9,643,000**	**9,694,084**	**9,146,290**
Deficit for the Year	**(875,000)**	**(1,138,996)**	**(966,492)**

[1] Debt servicing does not include interest on borrowings to finance Fiscal Agency Loans as the interest revenue and expenditure are intended to be offsetting.

[2] Includes a Crown corporation valuation adjustment of $54,618,300 in 1986 and a negative adjustment of $85,572,000 in 1987.

Table 7.3

Consolidated Revenue Fund Revenue by Source
for the Fiscal Year Ended March 31, 1987 (Unaudited)

Source	Estimated		Actual	
		($ thousands)		
Taxation Revenue				
Personal income[1]	2,351,000		2,248,096	
Corporation income[1]	406,000		280,647	
Social service	1,623,000		1,540,776	
Gasoline	372,000		317,884	
Motive fuel use	64,000		55,513	
Tobacco	206,000		212,015	
Property Purchase			669	
Corporation capital	60,000		87,205	
Property (rural areas)	38,000		37,201	
Insurance premium	30,000		34,681	
Hotel room	31,000		41,484	
Horse Racing	7,000		6,720	
Succession and Gift			16	
Total Taxation Revenue		5,188,000		4,862,907
Natural Resource Revenue				
Petroleum and Natural Gas				
British Columbia Petroleum Corporation and natural gas royalties	69,000		57,215	
Permits and fees	100,000		68,093	
Petroleum royalties	73,000		44,958	
		242,000		170,266
Minerals				
Mining tax	5,000		445	
Mineral resource tax	9,500		8,016	
Mineral land tax	19,000		16,507	
Coal, minerals and metals royalties	25,500		24,087	
Miscellaneous mining receipts	8,000		6,530	
		67,000		55,585
Forests				
Logging tax	6,000		8,841	
Timber sales[2]	94,000		103,380	
Small Business Enterprise Special Account	18,000		28,972	
Timber royalties	10,000		13,133	
Lumber export tax			20,271	
Forest scaling fees	6,000		4,231	
Miscellaneous forests receipts	6,000		5,481	
		140,000		184,309
Other				
Water rentals and recording fees	220,000		235,643	
Wildlife Act—fees and licences	12,000		10,791	
		232,000		246,434
Total Natural Resource Revenue		681,000		656,594

Table 7.3

Consolidated Revenue Fund Revenue by Source
for the Fiscal Year Ended March 31, 1987 (Unaudited)—*Continued*

Source	Estimated		Actual	
		($ thousands)		
Other Revenue				
Sales and services				
Lottery Special Fund	110,100		160,706	
Farm Income Assurance Special Fund (producers' premiums and interest)	31,400		17,972	
Land registry fees	35,500		37,102	
Real estate earnings of the Crown Land Special Account	16,000		26,622	
Coquihalla Highway tolls	16,000		11,061	
Motor vehicle lien and search fees	8,000		6,734	
Ambulance service	7,500		8,298	
Sheriff's fees	1,400		1,142	
Property tax collection fees	2,500		2,517	
Vital statistics fees	3,100		2,861	
Hearing aid equipment	2,200		2,408	
Sales of maps and air photos	300		447	
Miscellaneous sales and services	6,000		7,424	
		240,000		285,294
Licences and permits				
Motor vehicle licences and permits	136,000		127,560	
Liquor Licencing Branch—permits and fees	17,000		19,273	
Companies Branch	9,000		8,811	
Safety inspection fees	6,400		6,698	
Filing fees—Court Services	4,500		3,852	
Camp-site permits and park use	4,100		3,768	
Fire Services Act—fees, etc.	5,000		4,874	
Insurance, brokers and real estate	2,800		2,585	
Agricultural licences	1,800		887	
Trade and dealer licences	300		248	
Mobile home registry	600		536	
Miscellaneous licences and permits	3,500		2,844	
		191,000		181,936
Interest from investments		76,000		53,169
Miscellaneous				
Fines and penalties	17,000		17,878	
Maintenance of children	16,000		14,931	
Other maintenance receipts	1,500		1,357	
Insurance claim receipts	13,000		10,622	
Municipal share of joint-service programs	2,500		2,505	
Other miscellaneous	20,000		26,171	
		70,000		73,464
Total Other Revenue		577,000		593,863
Contributions from Government Enterprises				
Liquor Distribution Branch—net income[3]	420,000		424,787	
British Columbia Railway Company—dividend	10,000		10,307	
British Columbia Ferry Corporation—dividend			9,866	
British Columbia Buildings Corporation—dividend			2,645	
Total Contributions from Government Enterprises		430,000		447,605

Table 7.3

Consolidated Revenue Fund Revenue by Source
for the Fiscal Year Ended March 31, 1987 (Unaudited)—*Continued*

Source	Estimated		Actual	
		($ thousands)		
Contributions from the Federal Government				
Established Programs Financing	1,134,000		1,205,263	
Canada Assistance Plan	612,000		612,129	
National Training Act	44,000		42,292	
Economic development	30,000		22,627	
Transportation and highways	15,600		15,378	
Public Utilities Income Tax Transfer Act	5,000		12	
Statutory subsidies	2,500		2,516	
Reciprocal Taxation Agreement	22,000		21,097	
Other payments	26,900		72,445	
Fiscal Stabilization Program			360	
Total Contributions from the Federal Government		1,892,000		1,994,119
Total Consolidated Revenue Fund Revenue		**8,768,000**		**8,555,088**

[1] Personal and Corporation income tax revenues are recorded after reduction for tax credits of $3,883,000 and $58,395,000 respectively.
[2] Timber sales revenue is recorded after deduction of stumpage offsets of $92,196,000 allowed under section 88 of the *Forest Act*.
[3] The British Columbia Liquor Distribution Branch revenue is the net income of the Branch after adjusting for differences in the accounting policies of the Branch and those of the Government.

Table 7.4

Consolidated Revenue Fund Expenditure by Appropriation for the Fiscal Year Ended March 31, 1987 (Unaudited)

Vote No.	Description	Total Appropriations — Estimated	Total Appropriations — Other Authorizations	Total Appropriations — Total	Actual Expenditure	Net Under Expenditure
		$	$	$	$	$
	Legislation					
1	Legislation	10,861,780				
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, sec. 64)		645,223	11,507,003	11,507,003	
		10,861,780	**645,223**	**11,507,003**	**11,507,003**	
	Auditor General					
2	Auditor General	**4,402,758**		**4,402,758**	**4,090,702**	**312,056**
	Ombudsman					
3	Ombudsman	**2,396,084**		**2,396,084**	**2,299,483**	**96,601**
	Office of the Premier					
4	Premier's Office	703,009		703,009	697,005	6,004
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer from Ministry of Intergovernmental Relations (Vote 48)		365,436	365,436	364,598	838
	—Transfer from Ministry of Provincial Secretary and Government Services (Vote 66)		134,294	134,294	134,156	138
		703,009	**499,730**	**1,202,739**	**1,195,759**	**6,980**
	Ministry of Agriculture and Fisheries					
5	Minister's Office	188,992		188,992	187,125	1,867
6	Ministry Operations	73,305,168		73,305,168	56,825,961	16,479,207
7	Milk Board	337,134		337,134	331,444	5,690
8	Provincial Agricultural Land Commission	1,062,157		1,062,157	1,031,196	30,961
9	Agri-Food Regional Development Subsidiary Agreement (ERDA)	8,500,000		8,500,000	1,742,554	6,757,446
	Statutory—					
	Cattle Horn Act (R.S.B.C. 1979, chap. 44, sec. 7) — Livestock Improvement		28,572	28,572	28,572	
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14) — Transfer from Ministry of Environment and Parks (Vote 26)		1,148,491	1,148,491	1,135,403	13,088
	Special Accounts—					
	Farm Product Industry Act (R.S.B.C. 1979, chap. 124, sec. 16) — Farm Products Industry Improvement	500,000		500,000	98,780	401,220
	Livestock Protection Act (R.S.B.C. 1979, chap. 245, sec. 14) — Livestock Protection	20,000		20,000	10,385	9,615
	Special Funds—					
	Farm Income Insurance Act (R.S.B.C. 1979, chap. 123, sec. 2) — Farm Income Assurance	62,800,000		62,800,000	27,530,294	35,269,706
	Less transfers to the Farm Income Assurance Fund from Vote 6	(31,400,000)		(31,400,000)	(17,012,236)	(14,387,764)
		115,313,451	**1,177,063**	**116,490,514**	**71,909,478**	**44,581,036**

Table 7.4

Consolidated Revenue Fund Expenditure by Appropriation
for the Fiscal Year Ended March 31, 1987 (Unaudited)—*Continued*

Vote No.	Description	Total Appropriations			Actual Expenditure	Net Under Expenditure
		Estimated	Other Authorizations	Total		
		$	$	$	$	$
	Ministry of Attorney General					
10	Minister's Office	200,422		200,422	188,313	12,109
11	Ministry Operations	253,095,928				
	Supplement — Special Warrant No. 3		11,700,000			
	Statutory—					
	Criminal Injury Compensation Act (R.S.B.C. 1979, chap. 83, sec. 2 (5))		1,360,290			
	Crown Proceeding Act (R.S.B.C. 1979, chap. 86, sec. 13)		1,793,241			
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 23 (3))		(963,466)			
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer to Ministry of Intergovernmental Relations		(272,995)			
	—Transfer to Ministry of Municipal Affairs		(2,923,203)	263,789,795	263,789,795	
12	Judiciary	15,430,735		15,430,735	15,426,426	4,309
13	Corrections	118,251,524		118,251,524	118,243,328	8,196
	Statutory—					
	Police Act (R.S.B.C. 1979, chap. 331, sec. 7) — Video Camera Use Study		158,178	158,178	158,178	
	Inquiry Act (R.S.B.C. 1979, chap. 198, sec. 18) — Vancouver Police Inquiry		91,869	91,869	91,869	
	Escheat Act (R.S.B.C. 1979, chap. 111, sec. 13 (2))—Estate Disbursement		49,053	49,053	49,053	
	Motion Picture Act (S.B.C. 1986, chap. 17, sec. 16 (a))—Film Classification		302,882	302,882	302,882	
	International Commercial Arbitration Act (S.B.C. 1986, chap. 14, sec. 37) — B.C. Arbitration Centre		800,000	800,000	800,000	
	Flood Relief Act (R.S.B.C. 1979, chap. 138, sec. 2) — Flood Costs		790,783	790,783	790,783	
	Emergency Program Act (R.S.B.C. 1979, chap. 106, sec. 16) — Purchase of Property Subject to Hazard		33,586	33,586	33,586	
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer from Ministry of Environment and Parks (Vote 26)		1,930,185	1,930,185	1,769,140	161,045
	—Transfer from Ministry of Environment and Parks (Vote 27)		2,403,500	2,403,500	302,969	2,100,531
	—Transfer from Ministry of Provincial Secretary and Government Services (Vote 66)		5	5	5	
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 22 (1))—Special Warrant No. 1		15,150,000	15,150,000	15,150,000	
	Special Accounts — *Land Title Act* (R.S.B.C. 1979, chap. 219, sec. 274 (2)) — Land Titles Survey	21,886		21,886	12,260	9,626
		387,000,495	**32,403,908**	**419,404,403**	**417,108,587**	**2,295,816**

Table 7.4

Consolidated Revenue Fund Expenditure by Appropriation
for the Fiscal Year Ended March 31, 1987 (Unaudited)—*Continued*

Vote No.	Description	Total Appropriations			Actual Expenditure	Net Under Expenditure
		Estimated	Other Authorizations	Total		
		$	$	$	$	$
	Ministry of Consumer and Corporate Affairs					
14	Minister's Office	212,804				
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer to Ministry of Finance and Corporate Relations		(143,003)			
	—Transfer to Ministry of Labour and Consumer Services		(69,801)			
15	Ministry Operations	20,771,055				
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer to Ministry of Finance and Corporate Relations		(13,920,981)			
	—Transfer to Ministry of Labour and Consumer Services		(6,850,074)			
		20,983,859	**(20,983,859)**			
	Ministry of Education					
16	Minister's Office	211,280		211,280	201,898	9,382
17	Management Operations	24,646,629				
	Statutory—					
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 23 (3))		113,340	24,759,969	24,759,969	
18	Public Schools Education	1,131,921,501				
	Statutory—					
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 20 (3))		3,496,402	1,135,417,903	1,135,417,903	
19	Independent Schools	28,643,519		28,643,519	28,629,191	14,328
	Statutory—					
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 22 (1)) — net of recoveries					
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 24 (1) (c)) — Interest on Property Tax Refunds		554,907	554,907	554,907	
	Education (Interim) Finance Act (S.B.C. 1982, chap 2, sec. 20 (6)) — Administration fees		969,616	969,616	969,616	
		1,185,422,929	**5,134,265**	**1,190,557,194**	**1,190,533,484**	**23,710**
	Ministry of Energy, Mines and Petroleum Resources					
20	Minister's Office	197,228		197,228	197,174	54
21	Resource Management	23,761,450		23,761,450	23,091,788	669,662
22	British Columbia Utilities Commission	1,450,908				
	Statutory—*Financial Administration Act* (S.B.C. 1981, chap. 15, sec. 20 (3))		65,900	1,516,808	1,516,808	
23	Fort Nelson Indian Band Mineral Revenue Sharing Agreement	2,500,000		2,500,000	451,947	2,048,053
24	Mineral Development and Exploration Incentives	7,350,000		7,350,000	6,989,474	360,526
	Statutory—					
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 24 (1) (c))—Interest on Revenue Refunds		415,758	415,758	415,757	1
	Mines Act (S.B.C. 1980, chap. 15 (2))—Mine improvement		9,142	9,142	9,142	
		35,259,586	**490,800**	**35,750,386**	**32,672,090**	**3,078,296**

Table 7.4

Consolidated Revenue Fund Expenditure by Appropriation
for the Fiscal Year Ended March 31, 1987 (Unaudited)—*Continued*

Vote No.	Description	Total Appropriations			Actual Expenditure	Net Under Expenditure
		Estimated	Other Authorizations	Total		
		$	$	$	$	$
	Ministry of Environment and Parks					
25	Minister's Office	211,255		211,255	209,237	2,018
26	Resource and Environmental Management	99,072,825				
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer to Ministry of Agriculture and Fisheries		(1,148,491)			
	—Transfer to Ministry of Attorney General		(1,930,185)	95,994,149	92,921,181	3,072,968
27	Emergency Assistance	2,403,500				
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer to Ministry of Attorney General		(2,403,500)			
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer from Ministry of Lands, Parks and Housing (Vote 57)		33,773,080			
	—Transfer to Ministry of Tourism, Recreation and Culture		(2,544,618)	31,228,462	30,515,915	712,547
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 15 (1)) — Extinguishment of Debt		3,225	3,225	3,225	
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 22 (1)) — net of recoveries					
	Special Funds—					
	Wildlife Act (S.B.C. 1982, chap. 57, sec. 11 (4)) — Habitat Conservation Fund	2,226,000		2,226,000	1,951,063	274,937
		103,913,580	**25,749,511**	**129,663,091**	**125,600,621**	**4,062,470**
	Ministry of Finance and Corporate Relations					
28	Minister's Office	209,220		209,220	190,268	18,952
29	Government Financial Support	61,562,461				
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14) — Transfer to Ministry of Provincial Secretary and Government Services		(12,654,852)	48,907,609	48,075,256	832,353
30	Provincial Capital Commission	555,000				
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14) — Transfer to Ministry of Provincial Secretary and Government Services		(555,000)			
31	Compensation Stabilization Program	715,773		715,773	651,692	64,081
32	Critical Industries Commission	511,830		511,830	320,924	190,906
	Statutory—					
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 22 (1)) — net of recoveries					
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 58 (2))		15,651,306	15,651,306	15,651,306	
	Unclaimed Money Act (R.S.B.C. 1979, chap. 418, sec. 4)—Payment of claims		40,456	40,456	40,456	

Table 7.4

Consolidated Revenue Fund Expenditure by Appropriation
for the Fiscal Year Ended March 31, 1987 (Unaudited)—*Continued*

Vote No.	Description	Total Appropriations			Actual Expenditure	Net Under Expenditure
		Estimated	Other Authorizations	Total		
		$	$	$	$	$
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 24 (1) (c))—Interest on Revenue Refunds		4,996,445	4,996,445	4,996,445	
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer from Ministry of Consumer and Corporate Relations (Vote 14)		143,003	143,003	95,269	47,734
	—Transfer from Ministry of Consumer and Corporate Relations (Vote 15)		13,920,981	13,920,981	13,768,628	152,353
	Special Accounts — *Purchasing Commission Act* (R.S.B.C. 1979, chap. 350, sec. 23.1 (3)) — Purchasing Commission Working Capital Account		494,047	494,047	494,047	
	Special Funds — *Resource Revenue Stabilization Fund Act* (S.B.C. 1982, chap. 24, sec. 4) — Resource Revenue Stabilization Fund		626,212,809	626,212,809	626,212,809	
	Less transfer to the General Fund from the Resource Revenue Stabilization Fund		(626,212,809)	(626,212,809)	(626,212,809)	
		63,554,284	**22,036,386**	**85,590,670**	**84,284,291**	**1,306,379**
	Ministry of Forests and Lands					
33	Minister's Office	186,345		186,345	137,618	48,727
34	Forest and Range Management	236,372,520				
	Statutory—*Financial Administration Act* (S.B.C. 1981, chap. 15, sec. 23 (3))		(4,863,248)	231,509,272	230,290,238	1,219,034
35	Fire Suppression Program	50,500,000		50,500,000	46,120,576	4,379,424
36	Forest Resource Development Subsidiary Agreement (ERDA)	39,688,726		39,688,726	38,764,654	924,072
	Statutory—					
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 22 (1))—Net of recoveries					
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 24 (1) (c))—Interest on Revenue Refunds		1,087	1,087	1,087	
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer from Ministry of Lands, Parks and Housing (Vote 56)		208,882	208,882	205,260	3,622
	—Transfer from Ministry of Lands, Parks and Housing (Vote 57)		21,076,439	21,076,439	20,407,858	668,581
	Special Accounts—					
	Forest Act (R.S.B.C. 1979, chap. 140, sec. 87.1)—Small Business Enterprise	18,000,000		18,000,000	17,737,839	262,161
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)—Transfer from Ministry of Lands, Parks and Housing — Crown Land		36,200,000	36,200,000	34,391,796	1,808,204
	Special Funds — *Forest Stand Management Fund Act* (S.B.C. 1986, chap. 8, sec. 3) — Forest Stand Management	20,000,000		20,000,000	12,425,201	7,574,799
	Less transfer to the Special Fund from Vote 34	(20,000,000)		(20,000,000)	(20,000,000)	
		344,747,591	**52,623,160**	**397,370,751**	**380,482,127**	**16,888,624**
	Ministry of Health					
37	Minister's Office	207,950		207,950	176,230	31,720
38	Management Operations	70,978,395		70,978,395	70,175,567	802,828

Table 7.4

Consolidated Revenue Fund Expenditure by Appropriation
for the Fiscal Year Ended March 31, 1987 (Unaudited)—*Continued*

Vote No.	Description	Total Appropriations			Actual Expenditure	Net Under Expenditure
		Estimated	Other Authorizations	Total		
		$	$	$	$	$
39	Medical Services Commission	557,348,190				
	Statutory — *Medical Services Commission Act* (R.S.B.C. 1979, chap. 255, sec. 12)		6,045,698	563,393,888	563,393,888	
40	Preventive and Community Health Care Services	217,919,511				
	Supplement — Special Warrant No. 4		4,180,000	222,099,511	221,141,988	957,523
41	Institutional Services	1,786,094,441				
	Supplement — Special Warrant No. 4		97,320,000	1,885,414,441	1,885,300,286	114,155
	Statutory—					
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 22 (1))—Net of recoveries					
	Special Accounts—					
	Health Improvement Appropriation Act (S.B.C. 1986, chap. 9, sec. 1) — Health Improvement Fund	120,000,000		120,000,000	119,960,923	39,077
		2,754,548,487	**107,545,698**	**2,862,094,185**	**2,860,148,882**	**1,945,303**
	Ministry of Social Services and Housing					
42	Minister's Office	216,236		216,236	199,094	17,142
43	Ministry Programs	1,486,348,994		1,486,348,994	1,484,560,253	1,788,741
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer from Ministry of Lands, Parks and Housing (Vote 57)		18,466,011	18,466,011	16,220,707	2,245,304
	—Transfer from Ministry of Lands, Parks and Housing (Vote 58)		10	10		10
	Special Accounts—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer from Ministry of Lands, Parks and Housing—Provincial Home Acquisition		5,975,642	5,975,642	5,975,642	
		1,486,565,230	**24,441,663**	**1,511,006,893**	**1,506,955,696**	**4,051,197**
	Ministry of Economic Development					
44	Minister's Office	215,347		215,347	190,667	24,680
45	Ministry Operations	46,581,925		46,581,925	32,500,003	14,081,922
46	Economic and Regional Developments Subsidiary Agreements (ERDA)	16,338,000		16,338,000	2,104,101	14,233,899
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer from Ministry of Intergovernmental Relations (Vote 48)		688,756	688,756	688,289	467
	—Transfer from Ministry of International Trade, Science and Investment (Vote 49)		169,768	169,768	136,711	33,057
	—Transfer from Ministry of International Trade, Science and Investment (Vote 50)		13,818,171	13,818,171	7,881,557	5,936,614
	—Transfer from Ministry of International Trade, Science and Investment (Vote 52)		7,785,000	7,785,000	7,784,509	491
	—Transfer from Ministry of International Trade, Science and Investment (Vote 53)		4,200,000	4,200,000	983,373	3,216,627
	—Transfer from Ministry of Tourism, Recreation and Culture (Vote 71)		97,035	97,035	97,035	
	Public Service Act (R.S.B.C. 1979, chap. 343, sec. 78)—Medical Expenses, London, England		5,284	5,284	5,284	

Table 7.4

Consolidated Revenue Fund Expenditure by Appropriation
for the Fiscal Year Ended March 31, 1987 (Unaudited)—*Continued*

Vote No.	Description	Total Appropriations			Actual Expenditure	Net Under Expenditure
		Estimated	Other Authorizations	Total		
		$	$	$	$	$
	Ocean Falls Corporation Repeal Act (S.B.C. 1983, chap. 7, sec. 2 (1) (d))		599,539	599,539	599,539	
	Special Funds—					
	Industrial Development Fund Act (R.S.B.C. 1979, chap. 194, sec. 1 (3))—Industrial Development Subsidiary Agreement Loan Repayment Revolving Fund	1,613,000	87,173	1,700,173	1,700,173	
	Low Interest Loan Assistance Revolving Fund Act (S.B.C. 1985, chap. 44, sec. 2)—Low Interest Loan Assistance Revolving Fund	1,349,000	1,166,832	2,515,832	2,515,832	
	Less transfer to the Low Interest Loan Assistance Revolving Fund from Vote 45		(5,000,000)	(5,000,000)	(5,000,000)	
		66,097,272	**23,617,558**	**89,714,830**	**52,187,073**	**37,527,757**
	Ministry of Intergovernmental Relations					
47	Minister's Office	134,879		134,879	134,176	703
48	Intergovernmental Relations	2,557,122				
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer to Premier's Office		(365,436)			
	—Transfer to Ministry of Advanced Education and Job Training		(90,135)			
	—Transfer to Ministry of Economic Development		(688,756)			
	—Transfer to Ministry of Provincial Secretary and Government Services		(42,200)	1,370,595	1,347,410	23,185
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer from Ministry of Attorney General (Vote 11)		272,995	272,995	266,870	6,125
	—Transfer from Ministry of Provincial Secretary and Government Services (Vote 66)		157,700	157,700	133,881	23,819
	Special Funds—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer from Ministry of Provincial Secretary and Government Services—First Citizens' Fund		1,973,000	1,973,000	1,204,777	768,223
		2,692,001	**1,217,168**	**3,909,169**	**3,087,114**	**822,055**
	Ministry of International Trade, Science and Investment					
49	Minister's Office	169,768				
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer to Ministry of Economic Development		(169,768)			
50	Ministry Operations	14,546,387				
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer to Ministry of Economic Development		(13,818,171)			
162	—Transfer to Ministry of Provincial Secretary and Government Services		(728,216)			

Table 7.4

Consolidated Revenue Fund Expenditure by Appropriation
for the Fiscal Year Ended March 31, 1987 (Unaudited)—*Continued*

Vote No.	Description	Total Appropriations: Estimated	Total Appropriations: Other Authorizations	Total Appropriations: Total	Actual Expenditure	Net Under Expenditure
		$	$	$	$	$
51	Government Telecommunication Services	10				
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer to Ministry of Provincial Secretary and Government Services		(10)			
52	Science and Technology	7,785,000				
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer to Ministry of Economic Develoment		(7,785,000)			
53	Science and Technology Development Subsidiary Agreement (ERDA)	4,200,000				
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer to Ministry of Economic Develoment		(4,200,000)			
		26,701,165	**(26,701,165)**			
	Ministry of Labour and Consumer Services					
54	Minister's Office	205,714		205,714	189,458	16,256
55	Ministry Operations	63,786,153				
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer to Ministry of Advanced Education and Job Training		(38,847,245)			
	—Transfer to Ministry of Municipal Affairs		(10,678,193)	14,260,715	14,060,743	199,972
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer from Ministry of Consumer and Corporate Affairs (Vote 14)		69,801	69,801	68,627	1,174
	—Transfer from Ministry of Consumer and Corporate Affairs (Vote 15)		6,850,074	6,850,074	6,848,610	1,464
		63,991,867	**(42,605,563)**	**21,386,304**	**21,167,438**	**218,866**
	Ministry of Lands, Parks and Housing					
56	Minister's Office	208,882				
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer to Ministry of Forests and Lands		(208,882)			
57	Ministry Operations	76,394,060				
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer to Ministry of Environment and Parks		(33,773,080)			
	—Transfer to Ministry of Forests and Lands		(21,076,439)			
	—Transfer to Ministry of Municipal Affairs		(3,078,530)			
	—Transfer to Ministry of Social Services and Housing		(18,466,011)			

Table 7.4

Consolidated Revenue Fund Expenditure by Appropriation
for the Fiscal Year Ended March 31, 1987 (Unaudited)—*Continued*

Vote No.	Description	Total Appropriations			Actual Expenditure	Net Under Expenditure
		Estimated	Other Authorizations	Total		
		$	$	$	$	$
58	British Columbia Home Program	10				
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer to Ministry of Social Services and Housing		(10)			
	Statutory—					
	Special Accounts—					
	Ministry of Lands, Parks and Housing Act (R.S.B.C. 1979, chap. 277, sec. 7 (2))—Crown Land	36,200,000				
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer to Ministry of Forests and Lands		(36,200,000)			
	Home Conversion and Leasehold Loan Act (R.S.B.C. 1979, chap. 170, sec. 17 (1)), and *Home Purchase Assistance Act* (R.S.B.C. 1979, chap. 172, sec. 21 (1))—Provincial Home Acquisition	5,835,000				
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer to Ministry of Social Services and Housing		(5,835,000)			
	University Endowment Land Act (R.S.B.C. 1979, chap. 420, sec. 3 (1))—University Endowment Lands Administration	3,193,244				
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer to Ministry of Municipal Affairs		(3,193,244)			
		121,831,196	**(121,831,196)**			
	Ministry of Municipal Affairs					
59	Minister's Office	189,745		189,745	187,747	1,998
60	Ministry Operations	6,471,496		6,471,496	6,201,019	270,477
61	Municipal Revenue Sharing	277,000,000		227,000,000	227,000,000	
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer from Ministry of Attorney General (Vote 11)		2,923,203	2,923,203	2,923,056	147
	—Transfer from Ministry of Labour and Consumer Services (Vote 55)		10,678,193	10,678,193	10,667,390	10,803
	—Transfer from Ministry of Lands, Parks and Housing (Vote 57)		3,078,530	3,078,530	3,044,554	33,976
	—Transfer from Ministry of Provincial Secretary and Government Services (Vote 30)		555,000	555,000	555,000	
	Special Accounts—					
	Special Appropriations Act (S.B.C. 1982, chap. 40, sec. 2 (1))					
	—Downtown Revitalization	900,000		900,000	797,992	102,008
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer from Ministry of Lands, Parks and Housing—University Endowment Lands Administration		3,193,244	3,193,244	2,038,424	1,154,820

Table 7.4

Consolidated Revenue Fund Expenditure by Appropriation
for the Fiscal Year Ended March 31, 1987 (Unaudited)—*Continued*

Vote No.	Description	Total Appropriations			Actual Expenditure	Net Under Expenditure
		Estimated	Other Authorizations	Total		
		$	$	$	$	$
	Special Funds—					
	Revenue Sharing Act (R.S.B.C. 1979, chap. 368, sec. 3)—Revenue Sharing Fund	223,100,000		223,100,000	218,671,136	4,428,864
	Less Transfer to the Revenue Sharing Fund from Vote 61	(227,000,000)		(227,000,000)	(227,000,000)	
		230,661,241	**20,428,170**	**251,089,411**	**245,086,318**	**6,003,093**
	Ministry of Advanced Education and Job Training					
62	Minister's Office	141,717		141,717	140,364	1,353
63	Ministry and Council Operations	7,701,503		7,701,503	7,476,049	225,454
64	Universities, Colleges and Institutes	609,352,656		609,352,656	607,947,284	1,405,372
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer from Ministry of Intergovernmental Relations (Vote 48)		90,135	90,135	90,135	
	—Transfer from Ministry of Labour and Consumer Services (Vote 55)		38,847,245	38,847,245	36,515,311	2,331,934
		617,195,876	**38,937,380**	**656,133,256**	**652,169,143**	**3,964,113**
	Ministry of Provincial Secretary and Government Services					
65	Minister's Office	194,140		194,140	192,457	1,683
66	Ministry Operations	53,928,862				
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer to Premier's Office		(134,294)			
	—Transfer to Ministry of Attorney General		(5)			
	—Transfer to Ministry of Intergovernmental Relations		(157,700)			
	—Transfer to Ministry of Tourism, Recreation and Culture		(22,727,504)	30,909,359	28,608,311	2,301,048
67	Government Information Services	15,338,028		15,338,028	10,437,641	4,900,387
68	Pensions and Employee Benefits Administration	10		10		10
69	Pensions and Employee Benefits Contributions	10				
	Statutory—					
	Legislative Assembly Allowances and Pension Act (R.S.B.C. 1979, chap. 228, sec. 28 (1))		6,787,437	6,787,447	6,787,437	10
	Election Act (R.S.B.C. 1979, chap. 103, sec. 191 (1))—1986 General Election expenses		9,909,196	9,909,196	9,909,196	
	Inquiry Act (R.S.B.C. 1979, chap. 103, sec. 18)—Social Housing Commission		439,400	439,400	439,400	
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer from Ministry of Finance and Corporate Relations (Vote 29)		12,654,852	12,654,852	12,614,066	40,786
	—Transfer from Ministry of Finance and Corporate Relations (Vote 30)		555,000			
	—Transfer to Ministry of Municipal Affairs (Vote 30)		(555,000)			

Table 7.4

Consolidated Revenue Fund Expenditure by Appropriation
for the Fiscal Year Ended March 31, 1987 (Unaudited)—*Continued*

Vote No.	Description	Total Appropriations			Actual Expenditure	Net Under Expenditure
		Estimated	Other Authorizations	Total		
		$	$	$	$	$
	—Transfer from Ministry of Intergovernmental Relations (Vote 48)		42,200	42,200	35,465	6,735
	—Transfer from Ministry of International Trade, Science and Investment (Vote 50)		728,216	728,216	643,034	85,182
	—Transfer from Ministry of International Trade, Science and Investment (Vote 51)		10	10		10
	—Transfer from Ministry of Transportation and Highways (Vote 73)		5,500	5,500	4,673	827
	—Transfer from Ministry of Transportation and Highways (Vote 78)		7,841,098	7,841,098	7,449,868	391,230
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 14 (16))		493	493	493	
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 22)					
	Inquiry Act (R.S.B.C. 1979, chap. 198, secs. 8 and 17)		6,000	6,000	6,000	
	Special Accounts—					
	Special Appropriations Act (S.B.C. 1982, chap. 40, sec. 7 (1)) — Provincial Computerization of Libraries	329,870				
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14) — Transfer to Ministry of Tourism, Recreation and Culture		(329,870)			
	Special Funds—					
	Funds Control Act (R.S.B.C. 1979, chap. 146, sec. 6)—British Columbia Cultural Fund	1,594,000				
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14) — Transfer to Ministry of Tourism, Recreation and Culture		(1,594,000)			
	Funds Control Act (R.S.B.C. 1979, chap. 146, sec. 3)—First Citizens Fund	1,973,000				
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14) — Transfer to Ministry of Intergovernmental Relations		(1,973,000)			
	Lottery Act (R.S.B.C. 1979, chap. 249, secs. 6 and 7)—Lottery Fund	110,100,000	179,421,741	289,521,741	289,521,741	
	Funds Control Act (R.S.B.C. 1979, chap. 146, sec. 4)—Physical Fitness and Amateur Sports Fund	1,645,000				
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14) — Transfer to Ministry of Tourism, Recreation and Culture		(1,645,000)			
		185,102,920	**189,274,770**	**374,377,690**	**366,649,782**	**7,727,908**
	Ministry of Tourism, Recreation and Culture					
70	Minister's Office	186,423		186,423	171,937	14,486
71	Ministry Operations	17,193,217				
	Supplement—Special Warrant No. 2		1,740,000			
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14) —Transfer to Ministry of Economic Development		(97,035)			
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 23 (3))		375,289	19,211,471	19,211,471	

Table 7.4

Consolidated Revenue Fund Expenditure by Appropriation
for the Fiscal Year Ended March 31, 1987 (Unaudited)—*Continued*

Vote No.	Description	Total Appropriations			Actual Expenditure	Net Under Expenditure
		Estimated	Other Authorizations	Total		
		$	$	$	$	$
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer from Ministry of Environment and Parks (Vote 57)		2,544,618	2,544,618	2,502,684	41,934
	—Transfer from Ministry of Provincial Secretary and Government Services (Vote 66)		22,727,504	22,727,504	22,663,064	64,440
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 22)					
	Special Accounts—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer from Ministry of Provincial Secretary and Government Services—Provincial Computerization of Libraries		329,870	329,870	37,515	292,355
	Special Funds—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer from Ministry of Provincial Secretary and Government Services—British Columbia Cultural Fund		1,594,000	1,594,000	1,575,576	18,424
	—Transfer from Ministry of Provincial Secretary and Government Services—Physical Fitness and Amateur Sports Fund		1,645,000	1,645,000	1,499,209	145,791
		17,379,640	**30,859,246**	**48,238,886**	**47,661,456**	**577,430**
	Ministry of Transportation and Highways					
72	Minister's Office	226,849		226,849	213,523	13,326
73	Administration and Services Department	13,278,396				
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer to Ministry of Provincial Secretary and Government Services		(5,500)	13,272,896	13,272,433	463
74	Highway Operations Department	861,654,342				
	Statutory—					
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 23 (3))		5,000,000	866,654,342	866,654,047	295
75	Motor Vehicle Department	31,870,389		31,870,389	30,363,377	1,507,012
76	Motor Carrier Commission and Branch	2,721,973		2,721,973	2,713,296	8,677
77	Transportation Policy Department	83,035,652		83,035,652	81,254,470	1,781,182
78	Air Services Branch	7,841,098				
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer to Ministry of Provincial Secretary and Government Services		(7,841,098)			
		1,000,628,699	**(2,846,598)**	**997,782,101**	**994,471,146**	**3,310,955**
	Other Voted Appropriations					
79	Student Employment Programs (Ministry of Advanced Education and Job Training)					
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer from Ministry of Labour and Consumer Services	15,000,000		15,000,000	13,743,664	1,256,336

Table 7.4

Consolidated Revenue Fund Expenditure by Appropriation
for the Fiscal Year Ended March 31, 1987 (Unaudited)—*Continued*

Vote No.	Description	Total Appropriations			Actual Expenditure	Net Under Expenditure
		Estimated	Other Authorizations	Total		
		$	$	$	$	$
80	Transit Services (Ministry of Municipal Affairs)					
	Statutory—					
	Constitution Act (R.S.B.C. 1979, chap. 62, secs. 13 and 14)					
	—Transfer from Ministry of Provincial Secretary and Government Services	162,145,000				
	Financial Administration Act (S.B.C. 1981, chap. 15, sec. 23 (3))					
	—Prior Year Budget Allocation		(786,570)	161,358,430	160,757,156	601,274
81	Management of the Public Debt (Ministry of Finance and Corporate Relations)	457,900,000		457,900,000	393,941,416	63,958,584
82	Contingencies (All Ministries) (Ministry of Finance and Corporate Relations)	50,000,000		50,000,000	30,465,751	19,534,249
	Statutory—					
	Special Accounts—					
	Education Excellence Appropriation Act (S.B.C. 1986, chap. 6, sec. 1)—Fund for Excellence in Education	110,000,000		110,000,000	109,478,740	521,260
		795,045,000	**(786,570)**	**794,258,430**	**708,386,727**	**85,871,703**
	Revaluation of Crown Corporations					
	British Columbia Railway Company		(230,572,900)		(230,572,900)	
	British Columbia Enterprise Corporation		145,000,000		145,000,000	
			(85,572,900)		**(85,572,900)**	
	Total Consolidated Revenue Fund Expenditure	**9,643,000,000**	**275,753,848**	**10,004,326,748**	**9,694,081,500**	**224,672,348**

Table 7.5

Special Funds Revenue, Expenditure and Balances
for the Fiscal Year Ended March 31, 1987

Special Funds consist of certain earmarked revenue and various funds set aside in past years using General Fund surpluses. Expenditures from Special Funds are authorized by the legislation which established them and annual approval of the Legislature is not required.

	Balance March 31, 1986	Revenue 1986/87	Expenditure 1986/87	Balance March 31, 1987
	($ thousands)			
The *British Columbia Cultural Fund* (1967) receives interest revenue from a capital endowment of $20 million and has paid a total of $34.9 million toward the encouragement of community cultural activities since its inception	20,696	1,660	1,576	20,780
The *First Citizens' Fund* (1969) receives interest revenue from a capital endowment of $25 million and has contributed a total of $33.6 million since its inception toward the cultural, educational and economic advancement of British Columbia Native Indians	27,196	2,079	1,205	28,070
The *Physical Fitness and Amateur Sports Fund* (1969) receives interest revenue from a capital endowment of $20 million and has disbursed a total of $32.7 million to amateur sport and activity groups since its inception	20,417	1,634	1,499	20,552
The *Farm Income Assurance Fund* has allocated $465.6 million since 1973/74 to provide a guaranteed annual income to agricultural producers. Producers' premiums over the same period have totalled $226 million	15,196	35,957	27,530	23,623
The *Forest Stand Management Fund* was established in 1986 under the *Forest Stand Management Fund Act* to provide for the enhanced management of British Columbia's forest and range lands and to undertake projects for this purpose which will provide employment and training opportunities	—	20,000	12,425	7,575
The *Habitat Conservation Fund* (1981) was created under the *Wildlife Act* to enhance fish and wildlife and their habitat. Revenue is raised through a surcharge on fishing and hunting licences	1,489	1,548	1,951	1,086
The *Industrial Development Subsidiary Agreement Loan Repayment Revolving Fund* makes loans for new industrial development from principal and interest payments on existing loans	28,869	3,400	1,700	30,569
The *Lottery Fund* (1974) receives revenue from the sale of lottery tickets in British Columbia. During 1986/87, expenditures were made on cultural programs, sports and recreation programs, health care research and to Expo 86	83,761	160,712	289,522	(45,049)
Low Interest Loan Agreement Revolving Fund is administered by the British Columbia Development Corporation (now British Columbia Enterprise Corporation) and makes loans to business firms from principal and interest payments on existing loans	27,487	6,764	2,516	31,735
The *Resource Revenue Stabilization Fund* was established in 1982. Non-earmarked natural resource revenue is paid into this fund. During 1986/87, all revenue of the Resource Revenue Stabilization Fund was transferred to the General Fund	—	626,213	626,213	—
The *Revenue Sharing Fund*, established in 1977, allocates a specific share of provincial revenue for the payment of grants to municipalities (*see* Appendix 3)	25,202	227,012	218,671	33,543
Total Special Funds	250,313	1,086,979	1,184,808	152,484
Less Transfers between the General Fund and Special Funds[1]	—	896,185	896,185	—
Net Special Funds	**250,313**	**190,794**	**288,623**	**152,484**

[1] During 1986/87, a total of $896.2 million was transferred between the General Fund and Special Funds as follows: the Resource Revenue Stabilization Fund transferred $626.2 million to the General Fund, the Ministry of Agriculture and Food transferred $18.0 million to the Farm Income Assurance Fund, the Ministry of Economic Development transferred $5.0 million to the Low Interest Loan Agreement Revolving Fund, the Ministry of Municipal Affairs transferred $227.0 million to the Revenue Sharing Fund, and the Ministry of Forests and Lands transferred $20.0 million to the Forest Stand Management Fund.

Table 7.6

Consolidated Revenue Fund Expenditure by Objects of Expenditure Classification (Grouped) for the Fiscal Year Ended March 31, 1987 (Unaudited)

Ministry	Salaries and Benefits	Operating Costs	Asset Acquisitions	Grants and Contributions	Other Expenditure	Less: Recoveries	Total Expenditures
	$	$	$	$	$	$	$
Legislation	6,546,406	2,007,447	459,862	71,200	2,422,088		11,507,003
Auditor General	3,544,101	801,560	106,160	35,000		(396,119)	4,090,702
Ombudsman	1,544,198	663,121	92,164				2,299,483
Premier's Office	992,858	160,912	41,989				1,195,759
Agriculture and Fisheries	17,447,017	9,345,790	745,643	20,970,290	28,086,778	(4,686,022)	71,909,478
Attorney General	156,566,941	125,175,053	17,635,462	134,657,336	3,475,300	(20,401,505)	417,108,587
Education	12,295,428	31,186,444	1,442,094	1,682,691,872	970,886	(538,053,240)	1,190,533,484
Energy, Mines and Petroleum Resources	13,020,238	10,327,972	2,004,260	8,471,017	1,121	(1,152,518)	32,672,090
Environment and Parks	64,802,364	45,240,219	16,863,503	766,653	3,225	(2,075,343)	125,600,621
Finance and Corporate Relations	35,528,207	50,240,450	14,138,691	6,737,895	21,673,690	(44,034,642)	84,284,291
Forests and Lands	144,450,338	184,996,436	14,505,204	1,935,500	34,854,176	(259,527)	380,482,127
Health	225,847,606	105,490,914	8,682,508	2,540,987,104	26,329	(20,385,579)	2,860,148,882
Social Services and Housing	136,246,876	51,849,990	3,167,972	1,313,589,402	5,976,642	(3,875,186)	1,506,955,696
Economic Development	9,286,994	8,999,242	433,923	27,488,855	6,001,796	(23,737)	52,187,073
Intergovernmental Relations	1,088,216	620,164	79,482	1,299,252			3,087,114
Labour and Consumer Services	17,236,611	6,989,005	1,032,745	12,690		(4,103,613)	21,167,438
Municipal Affairs	16,482,547	6,435,234	1,222,412	221,121,446		(175,321)	245,086,318
Advanced Education and Job Training	10,145,096	6,196,019	622,545	633,017,818	2,670,189	(482,524)	652,169,143
Provincial Secretary and Government Services	54,094,264	41,220,621	6,202,226	286,870,053	2,529,622	(24,267,004)	366,649,782
Tourism, Recreation and Culture	12,944,824	20,201,400	691,826	13,848,930		(25,524)	47,661,456
Transportation and Highways	228,045,859	291,531,406	398,853,877	77,484,952	162,846	(1,607,794)	994,471,146
Other Appropriations	7,127,464	13,280,592	476,577	303,507,216	616,756,705	(232,761,827)	708,386,727
Crown Corporations Revaluation					(85,572,900)		
Consolidated Revenue Fund Expenditure	1,175,284,453	1,012,959,991	489,501,125	7,275,564,463	640,038,493	(899,267,025)	9,694,081,500
Comparative—1986 Consolidated Revenue Fund Expenditure	1,124,900,167	1,029,473,824	594,784,586	6,571,290,617	685,919,988	(860,079,617)	9,146,289,565

Table 7.7

Consolidated Revenue Fund Revenue by Source for the Fiscal Years Ended March 31, 1983, 1984, 1985, 1986 and 1987 (Unaudited)

	1983	1984	1985	1986	1987
	$	$	$	$	$
Taxation revenue					
Personal income	2,008,152,085	1,818,815,006	1,853,296,653	2,073,087,994	2,248,096,283
Corporation income	188,550,277	309,470,082	366,164,204	323,481,377	280,646,755
Social service	999,449,345	1,201,338,425	1,331,342,643	1,451,761,470	1,540,776,121
Gasoline	348,718,971	370,554,377	411,932,509	354,771,589	317,884,426
Motive fuel use	40,254,002	50,513,372	56,394,694	65,248,415	55,512,733
Tobacco	109,109,479	138,450,501	159,315,452	188,270,554	212,014,503
Property purchase					668,721
Corporation capital	83,833,538	85,782,350	86,998,874	94,340,292	87,205,128
Property (rural areas)	40,745,157	36,789,104	41,008,063	38,203,592	37,200,803
Insurance premiums	21,141,440	20,920,174	22,039,794	25,295,256	34,681,187
Hotel room	22,550,007	23,215,930	25,099,624	27,656,537	41,484,460
Horse racing	7,164,243	7,701,216	6,801,580	7,183,734	6,720,064
Succession and gift		(99,762)	159,231	100,004	15,761
Total Taxation Revenue	**3,869,668,544**	**4,063,450,775**	**4,360,553,321**	**4,649,400,814**	**4,862,906,945**
Natural resource revenue					
Minerals					
Petroleum and natural gas					
British Columbia Petroleum Corporation and natural gas royalties	96,048,923	166,230,913	140,013,142	53,663,385	57,215,426
Permits and fees	49,253,175	70,380,793	97,811,166	133,592,498	68,093,150
Petroleum royalties	83,523,655	96,652,028	100,061,797	86,540,200	44,957,545
Revenue from other minerals	32,454,641	31,616,719	54,223,756	57,190,443	55,585,175
	261,280,394	**364,880,453**	**392,109,861**	**330,986,526**	**225,851,296**
Forests					
Logging tax	2,074,182	956,421	4,313,466	5,146,017	8,841,478
Timber sales	64,700,259	103,833,898	97,411,290	93,441,902	103,380,044
Small business enterprise				20,449,791	28,971,611
Forest scaling fees	5,738,935	8,941,426	5,417,582	2,458,346	4,230,579
Other forest revenue	10,391,964	17,163,860	20,161,932	22,648,501	38,885,070
	82,905,340	**130,895,605**	**127,304,270**	**144,144,557**	**184,308,782**
Water resources	187,429,850	171,995,181	190,840,415	213,890,683	235,642,576
Wildlife Act — fees and licences	10,935,035	10,916,540	10,658,970	10,530,864	10,791,085
Total Natural Resource Revenue	**542,550,619**	**678,687,779**	**720,913,516**	**699,552,630**	**656,593,739**
Other revenue					
Sales and services					
Farm income assurance	28,338,001	31,843,481	26,272,675	24,889,460	17,972,254
Lottery	28,137,960	60,021,992	84,493,299	105,272,970	160,705,588
Land registry fees	27,056,219	31,035,564	27,318,053	33,666,671	37,102,055
Land leases rentals and fees	17,119,741	12,448,413	13,686,163	25,096,583	26,621,971
Other	49,704,795	48,374,414	49,800,115	32,873,833	42,892,422
	150,356,716	**183,723,864**	**201,570,305**	**221,799,517**	**285,294,290**
Licences and permits					
Motor vehicle licences and permits	102,107,910	39,827,653	124,191,583	116,321,485	127,559,854
Other	44,045,671	43,673,900	46,469,541	49,558,137	54,376,324
	146,153,581	**83,501,553**	**170,661,124**	**165,879,622**	**181,936,178**
Fines and penalties	15,250,866	16,395,065	16,248,367	15,126,079	17,878,554
Income from investments	91,321,248	77,148,502	106,352,207	84,349,718	53,168,912
Sale of salt water ferry assets				60,611,966	
British Columbia Place Ltd. — dividends, non-recurring recovery of previous grants	65,000,000				
British Columbia Cellulose Company — dividends	5,000,000				
Municipal and other governments	18,466,674	3,876,161	3,325,934	2,804,908	2,504,610
Miscellaneous	71,842,571	113,264,142	59,046,477	56,255,077	53,081,213
Total Other Revenue	**563,391,656**	**477,909,287**	**557,204,414**	**606,826,887**	**593,863,757**

Table 7.7

Consolidated Revenue Fund Revenue by Source for the Fiscal Years Ended March 31, 1983, 1984, 1985, 1986 and 1987 (Unaudited)—*Continued*

	1983	1984	1985	1986	1987
	$	$	$	$	$
Contributions from government enterprises					
Liquor Distribution Branch	337,854,900	351,525,246	355,898,655	398,375,011	424,786,708
British Columbia Buildings Corporation			4,404,000		2,645,000
British Columbia Ferry Corporation					9,865,728
British Columbia Railway Company					10,307,540
Total Contributions from Government Enterprises	**337,854,900**	**351,525,246**	**360,302,655**	**398,375,011**	**447,604,976**
Contributions from the Federal Government					
Established programs financing	652,360,000	928,536,000	1,059,490,000	1,091,252,000	1,205,263,000
Fiscal stabilization		139,000,000	35,000,000		360,000
Canada Assistance Plan	460,005,833	543,710,297	572,860,899	595,744,375	612,128,768
Statutory and other subsidies	9,232,574	7,241,818	5,895,275	2,515,831	2,515,831
Other shared costs and grants in aid	94,025,647	137,877,548	98,403,659	114,342,154	152,754,112
Reciprocal Taxation Agreement		16,315,000	19,318,000	21,786,075	21,097,000
Total Contributions from the Federal Government	**1,215,624,054**	**1,772,680,663**	**1,790,967,833**	**1,825,640,435**	**1,994,118,711**
Total Consolidated Revenue Fund Revenue	**6,529,089,773**	**7,344,253,750**	**7,789,941,739**	**8,179,795,777**	**8,555,088,128**

Table 7.8

Consolidated Revenue Fund Expenditure by Function for the Fiscal Years Ended March 31, 1983, 1984, 1985, 1986 and 1987 (Unaudited)

	1983	1984	1985	1986	1987
	$	$	$	$	$
Health					
Health					
Administration	19,441,811	22,774,229	29,453,535	28,754,299	30,735,809
Public health	171,137,220	142,264,684	156,249,954	164,980,270	175,445,795
Medical, dental and allied services	650,673,569	850,800,449	763,009,622	789,240,574	856,847,767
Hospital care					
Administration	7,923,008	7,521,149	11,310,172	9,906,298	67,613,228
Payments to local hospitals	1,254,323,444	1,326,039,155	1,374,143,276	1,432,800,270	1,526,285,970
Provincial mental hospitals	166,788,754	175,921,242	172,548,174	161,421,093	181,729,994
Total Health	**2,270,287,806**	**2,525,320,908**	**2,506,714,733**	**2,587,102,804**	**2,838,658,563**
Social Services					
Administration	115,575,091	119,281,030	131,537,031	127,458,890	141,806,681
Aid to aged persons	39,373,857	34,036,131	32,699,283	28,437,247	7,826,142
Social assistance	892,497,370	1,112,692,519	1,176,985,039	1,221,562,834	1,236,205,677
Child welfare	135,101,840	139,602,469	132,483,059	138,479,152	137,656,858
Labour relations, industrial conciliation and arbitration	12,460,255	10,676,348	10,794,423	10,962,155	10,840,428
Total Social Services	**1,195,008,413**	**1,416,288,497**	**1,484,498,835**	**1,526,900,278**	**1,534,335,786**
Education					
Administration	16,086,253	14,244,754	14,304,813	10,666,751	9,916,462
Schools operated by local authorities					
Operating grants	585,253,642	631,202,171	651,171,481	661,004,992	772,003,440
Home-owner grants (school-levy portion)	221,015,944	220,204,268	224,455,559	230,165,697	234,764,051
Aids and services	27,246,303	26,035,343	27,881,712	26,780,472	40,199,189
Universities, colleges, vocational and other schools	692,319,008	698,067,941	654,513,528	661,277,198	695,142,710
Independent schools	17,171,821	37,901,416	24,866,464	27,065,476	28,658,064
Education of the handicapped	5,831,335	7,998,267	8,127,611	13,450,994	9,300,502
Teachers' pension and unemployment insurance	103,210,207	104,792,441	105,614,187	104,810,831	108,425,189
Total Education	**1,668,134,513**	**1,740,446,601**	**1,710,935,355**	**1,735,222,411**	**1,899,409,607**
Transportation and Communications					
Highways, roads, bridges and airports	455,409,698	670,432,825	644,728,658	1,004,244,246	873,026,396
Waterways, ferries, docks and wharves	43,389,549	36,400,569	35,478,210	26,557,394	11,808,956
British Columbia Ferries	47,820,819	47,821,333	47,821,433	44,821,375	61,821,300
British Columbia Railway	77,000,000	77,000,000	37,809,461	5,425,000	13,611,073
British Columbia Steamship Co. (1975) Ltd.					15,150,000
Total Transportation and Communications	**623,620,066**	**831,654,727**	**765,837,762**	**1,081,048,015**	**975,417,725**
Natural Resources, Trade and Industrial Development					
Fish and game	19,678,224	20,514,639	20,823,445	22,892,529	24,915,231
Forests (including fire suppression)	265,479,527	233,964,389	251,798,540	368,215,195	322,111,104
Land-settlement and agriculture	155,412,015	159,051,812	139,275,913	142,956,614	127,171,929
Minerals and mines	20,643,424	17,791,913	23,056,108	19,311,350	25,978,231
Water resources	34,094,495	50,382,283	41,203,848	39,995,294	43,920,413
Trade and industrial development	59,808,755	60,756,715	52,351,550	66,510,413	73,159,816
Total Natural Resources, Trade and Industrial Development	**555,116,440**	**542,461,751**	**528,509,404**	**659,881,395**	**617,256,724**
Protection of Persons and Property					
Law enforcement	130,068,014	142,332,993	146,487,760	144,661,786	158,372,837
Corrections	108,154,126	110,644,158	107,003,400	115,404,274	118,885,197
Police protection	67,630,853	73,930,829	75,249,966	79,935,717	87,073,490
Registration, regulation, inspection, trusteeship	89,590,119	87,293,868	82,518,108	87,114,979	88,925,499
Total Protection of Persons and Property	**395,443,112**	**414,201,848**	**411,259,234**	**427,116,756**	**453,257,023**

Table 7.8

Consolidated Revenue Fund Expenditure by Function for the Fiscal Years Ended March 31, 1983, 1984, 1985, 1986 and 1987 (Unaudited)—*Continued*

	1983	1984	1985	1986	1987
	$	$	$	$	
Aid to Local Government					
Grants in aid of local government	212,557,750	215,796,116	209,537,981	212,778,382	221,346,921
Transit subsidy	86,408,473	84,188,223	68,365,757	75,660,369	160,757,156
Planning and development	5,263,170	5,169,428	4,850,063	5,302,879	5,134,977
University Endowment Lands	3,977,510	3,749,909	3,830,217	4,159,415	5,082,978
Total Aid to Local Government	**308,206,903**	**308,903,676**	**286,584,018**	**297,901,045**	**392,322,032**
Debt Servicing[1]	**28,329,459**	**112,594,092**	**274,580,712**	**341,893,816**	**393,941,417**
General Government					
Administrative	145,129,399	133,730,634	158,863,885	145,260,101	164,680,727
Legislative					
Elections	6,892,751	10,828,286	2,610,532	5,588,119	12,279,343
Legislative Assembly and Government House	8,075,752	9,553,189	8,242,061	10,455,929	18,603,382
Total General Government	**160,097,902**	**154,112,109**	**169,716,478**	**161,304,149**	**195,563,452**
Housing					
Home-owner grants (non school-levy portion)	36,646,367	42,842,938	43,636,096	44,746,196	45,718,686
Home-acquisition	22,116,318	23,560,828	6,313,104	18,987	7,800
Renters' grants	22,044,034	467,247			
Other	52,179,909	30,233,951	22,974,204	43,121,944	49,005,232
Total Housing	**132,986,628**	**97,104,964**	**72,923,404**	**87,887,127**	**94,731,718**
Recreational and Cultural Services					
Archives, art galleries, museums and libraries	16,888,383	18,818,513	17,344,553	16,497,913	23,410,656
Parks, beaches and other recreational areas	37,952,033	36,555,733	34,703,639	44,922,755	37,665,200
Physical culture	3,349,045	3,825,833	2,970,474	2,941,602	2,764,086
Other	4,996,370	4,276,696	3,854,297	3,094,030	2,817,868
Total Recreational and Cultural Services	**63,185,831**	**63,476,775**	**58,872,963**	**67,456,300**	**66,657,810**
Other Expenditure					
Provincial emergencies	5,921,657	5,821,533	9,201,355	13,809,774	2,896,479
Special Employment Program	46,134,936	38,243,518	10,635,792	9,516,490	22,021,703
Interest on deposits and revenue refunds	1,552,448	898,997	1,311,097	2,459,889	5,968,197
Lottery Fund grants	28,658,227	56,761,841	49,175,942	79,530,884	286,735,044
Crown corporation grants and other payments	10,000,000	46,228,520	439,968,934	10,000,000	
Transfer of property to British Columbia Buildings Corporation	20,012,926	392,104	2,961,009	2,109,735	481,120
Valuation Adjustment					
— British Columbia Development Corporation				54,618,300	
— British Columbia Railway Company					(230,572,900)
— British Columbia Enterprise Corporation					145,000,000
Sundry	597,500	1,439,707	127,700	530,397	
Total Other Expenditure	**112,877,694**	**149,786,220**	**513,381,829**	**172,575,469**	**232,529,643**
Total Consolidated Revenue Fund Expenditure	**7,513,294,767**	**8,356,352,168**	**8,783,814,727**	**9,146,289,565**	**9,694,081,500**

[1] Debt servicing does not include interest on borrowings to finance fiscal agency loans.

Table 7.9

Historical Consolidated Revenue Fund Revenue by Source for Fiscal Years Ending March 31

Year	Taxation	Natural Resource	Other Revenue	Contributions From Government Enterprises	Contributions From Federal Government	Total
			($ millions)			
1977	2,046.7	415.7	355.2	162.6	671.7	3,651.9
1978	2,308.9	626.7	393.9	188.6	707.4	4,225.5
1979	2,531.8	806.5	329.5	218.4	818.1	4,704.3
1980	2,701.4	1,329.9	438.0	241.1	994.4	5,704.8
1981[1]	2,967.0	988.2	537.1	314.0	1,098.6	5,904.9
1981[1]	3,008.6	861.9	562.6	293.1	1,076.5	5,802.7
1982	4,216.7	597.6	680.3	326.5	1,082.3	6,903.4
1983	3,869.7	542.5	563.4	337.9	1,215.6	6,529.1
1984	4,063.5	678.7	477.9	351.5	1,772.7	7,344.3
1985	4,360.5	720.9	557.2	360.3	1,791.0	7,789.9
1986	4,649.4	699.6	606.8	398.4	1,825.6	8,179.8
1987 (unaudited)	4,862.9	656.6	593.9	447.6	1,994.1	8,555.1

[1] During 1980-81 the provincial government changed from a cash basis to an accrual basis of accounting; for comparative purposes both versions are shown for 1981.

Table 7.10

Historical Consolidated Revenue Fund Expenditure by Function for Fiscal Years Ending March 31

Year	Health	Social Services	Education	Transportation and Communications	Public Debt Interest	Other	Total
				($ millions)			
1977	927.9	450.8	870.4	399.2	15.6	893.7	3,557.6
1978	1,011.2	523.9	949.7	473.5	22.5	1,040.7	4,021.5
1979	1,106.5	604.1	1,043.1	512.5	23.7	1,043.9	4,333.8
1980	1,314.0	701.9	1,189.7	534.2	21.7	1,401.5	5,163.0
1981[1]	1,672.1	829.0	1,322.2	558.9	45.4	1,849.1	6,276.7
1981[1]	1,700.1	847.7	1,320.3	660.9	19.3	1,511.2	6,059.5
1982	1,973.5	963.8	1,556.7	755.5	16.9	1,821.1	7,087.5
1983	2,270.3	1,195.0	1,668.1	623.6	28.3	1,728.0	7,513.3
1984	2,525.3	1,416.3	1,740.4	831.7	112.6	1,730.1	8,356.4
1985	2,506.7	1,484.5	1,710.9	765.8	274.6	2,041.3	8,783.8
1986	2,587.1	1,526.9	1,735.2	1,081.0	341.9	1,874.2	9,146.3
1987 (unaudited)	2,838.7	1,534.3	1,899.4	975.4	393.9	2,052.4	9,694.1

[1] During 1980-81 the provincial government changed from a cash basis to an accrual basis of accounting; for comparative purposes both versions are shown for 1981.

Table 7.11

Historical Summary of Financial Transactions for Fiscal Years Ending March 31

Year	Revenue	Expenditure	Surplus (Deficit)	Financing Working Capital Transactions	Total Financial (Requirements) Sources	Net Borrowing (Repayment) for Government Purposes	Change in Cash and Temporary Investments Increase (Decrease)[2]
				($ millions)			
1966	656.6	645.4	11.2	(2.4)	8.8	—	8.8
1967	731.6	660.5	71.1	(10.8)	60.3	—	60.3
1968	814.4	758.6	55.8	5.3	61.1	—	61.1
1969	968.4	910.8	57.6	11.8	69.4	—	69.4
1970	1,180.4	1,176.8	3.6	(9.3)	(5.7)	—	(5.7)
1971	1,299.7	1,200.5	99.2	(20.1)	79.1	—	79.1
1972	1,480.2	1,396.7	83.5	(22.8)	60.7	—	60.7
1973	1,691.5	1,594.7	96.8	(13.0)	83.8	—	83.8
1974	2,132.6	1,986.7	145.9	22.9	168.8	—	168.8
1975	2,680.2	2,690.0	(9.8)	(98.6)	(108.4)	—	(108.4)
1976	3,031.1	3,441.4	(410.3)	96.6	(313.7)	—	(313.7)
1977	3,651.9	3,557.6	94.3	(150.1)	(55.8)	261.4	205.6
1978	4,225.5	4,021.5	204.0	54.2	258.2	—	258.2
1979	4,704.3	4,333.8	370.5	(126.3)	244.2	—	244.2
1980	5,704.8	5,163.0	541.8	(85.0)	456.8	(26.1)	430.7
1981[1]	5,904.9	6,276.7	(371.8)	88.5	(283.3)	(26.1)	(309.4)
1981[1]	5,802.7	6,059.5	(256.8)	(30.1)	(286.9)	(26.1)	(313.0)
1982	6,903.4	7,087.5	(184.1)	159.3	(24.8)	(26.1)	(50.9)
1983	6,529.1	7,513.3	(984.2)	(265.3)	(1,249.5)	700.0	(549.5)
1984	7,344.3	8,356.4	(1,012.1)	223.5	(788.6)	713.0	(75.6)
1985	7,789.9	8,783.8	(993.9)	111.3	(882.6)	879.8	(2.8)
1986	8,179.8	9,146.3	(966.5)	105.7	(860.8)	721.2	(139.6)
1987 (unaudited)	8,555.1	9,694.1	(1,139.0)	(576.6)	(1,715.6)	1,602.4	(113.2)

[1] During 1980/81 the provincial government changed from a cash basis to an accrual basis of accounting; for comparative purposes both versions are shown for 1981.

[2] The definition of items classified as cash and temporary investments has changed over time. The table reports the change in cash and temporary investments based on the accounting classifications used during the year reported.

Table 7.12

Government of British Columbia Public and Guaranteed Debt at March 31, 1987 (Unaudited)

Government Operating Debt

Maturity	Date of Issue	Borrowing Rate	Outstanding
		(per cent)	($ millions)
Short-Term Debt			
Treasury Bills[1]			
March to June, 1987	January, 1986 to March, 1987	6.73 to 8.19	644.7
Short-Term Promissory Notes[2]			
April, 1987	March, 1987	6.91 to 7.14	580.8
Short-Term Debt			1,225.5
Long-Term Debt by Date of Maturity[3]			
1987		9.63	169.1
1988		11.37	187.9
1989		11.70	288.5
1990		10.40	682.9
1991		10.86	641.3
1992		11.33	63.7
1993		10.73	521.6
1994		13.71	26.3
1995		13.38	276.1
1996		12.55	258.3
1997		12.73	276.0
1998		13.85	37.0
1999		13.89	79.4
2000		13.92	100.0
2001		13.94	125.0
2002		13.96	30.0
2005		14.02	45.0
2006		8.18	41.7
			3,849.8
Less Unamortized Discount			186.3
Less Sinking Fund Balances			89.6
Long-Term Debt			3,573.9
Debt for Government Purposes Before Accrued Interest			4,799.4
Plus Accrued Interest			137.7
Total Debt for Government Purposes			**4,937.1**

[1] Net of unamortized discount of $5,288,628.
[2] Net of unamortized discount of $338,948.
[3] Debt issued in U.S. dollars has been converted at U.S. $1 = C $1.3045. The rate shown for long term debt is the weighted average all-in cost of debt.

Table 7.12

Government of British Columbia Public and Guaranteed Debt at March 31, 1987 (Unaudited) — *Continued*

Net Fiscal Agency Debt

Borrowings Made by the Province on Behalf of Government Corporations and Agencies

	1987 Net Outstanding[1]	1986 Net Outstanding[1]
	($ thousands)	
British Columbia Assessment Authority	4,503	3,637
British Columbia Buildings Corporation	123,922	138,903
British Columbia Development Corporation		10,000
British Columbia Educational Institutions Capital Financing Authority	22,430	11,718
British Columbia Enterprise Corporation	19,316	
British Columbia Housing and Employment Development Financing Authority	24,364	
British Columbia Hydro and Power Authority	915,080	440,255
British Columbia Place Ltd.		110,965
British Columbia Railway Company	74,110	93,260
British Columbia Steamship Company (1975) Ltd.	3,111	
British Columbia Systems Corporation	20,325	2,019
British Columbia Transit	781,844	660,061
Certificate of Approval Program	63,339	34,860
Expo 86 Corporation	98,643	286,838
Greater Vancouver Sewerage and Drainage District	30,169	
Greater Vancouver Water District	19,287	
Simon Fraser University		1,362
University of British Columbia	36,485	27,635
W.L.C. Developments Ltd.		2,492
Fiscal Agency Debt Before Accrued Interest	2,236,928	1,824,005
Plus Accrued Interest	43,299	35,806
Net Fiscal Agency Debt	**2,280,227**	**1,859,811**

[1] Net outstanding fiscal agency debt includes gross principal debt less sinking fund balances. Sinking funds for 1986 and 1987 totalled $11,557,003 and $26,181,880 respectively.

Guaranteed Debt

Government of British Columbia Guaranteed Debt of Provincial Crown Corporations, Municipal and Other Local Governments and Private Sector

	1987 Net Outstanding[2]	1986 Net Outstanding[2]
	($ thousands)	
Municipalities and other local governments—		
(1) Guarantees authorized pursuant to the *Municipalities Assistance Act*, sec. 3	1,698	2,633
(2) Guarantees authorized pursuant to the *Municipal Act*, sec. 854 — Debentures	13,096	14,311
Subtotal, Municipalities and Other Local Governments	14,794	16,944
Government Services		
(3) Guarantees authorized pursuant to the *British Columbia Buildings Corporation Act*, sec. 13[1] — Debentures	119,950	468,115
(4) Guarantees authorized pursuant to the *System Act*, sec. 20[1] — Debentures	23,575	51,525
Subtotal, Government Services	143,525	519,640

Table 7.12

Guaranteed Debt

Government of British Columbia Guaranteed Debt of Provincial Crown Corporations, Municipal and Other Local Governments and Private Sector

	1987	1986
	Net Outstanding[2]	Net Outstanding[2]
	($ thousands)	
Health and Education[3]—		
(5) Guarantees authorized pursuant to the *Educational Institution Capital Finance Act*, sec. 9[1] — Debentures	367,703	382,019
(6) Guarantees authorized pursuant to the *Financial Administration Act*, sec. 56 —		
Student aid loans	31,046	20,898
Riverview Hospital Volunteer Association		11
Simon Fraser University — Debentures	3,812	
(7) Guarantees authorized pursuant to the *Hospital District Finance Act*, sec. 9[1] — Debentures	714,732	712,335
(8) Guarantees authorized pursuant to the *School District Capital Finance Act*, sec. 9[1] — Debentures	878,283	912,496
Subtotal, Health and Education	1,995,576	2,027,759
Economic Development —		
(9) Guarantees authorized pursuant to the *Agricultural Credit Act*, sec. 3	3,049	4,143
(10) Guarantees authorized pursuant to the *British Columbia Enterprise Corporation Act*	98,083	
(11) Guarantees authorized pursuant to the *British Columbia Place Act*, 1980, sec. 6[1]		30,079
(12) Guarantees authorized pursuant to the *British Columbia Railway Finance Act*, sec. 10[1] —		
Capital leases	25,490	25,957
1st preferred shares — BC Rail Ltd.	200,000	200,000
(13) Guarantees authorized pursuant to the *British Columbia Transit Act*, sec. 22[1] —		
Bonds and debentures	53,656	55,303
Notes		49,280
Capital leases	180,820	186,006
(14) Guarantees authorized pursuant to the *Development Corporation Act*, sec. 15[1] —		
Notes		98,011
Bonds		83,021
(15) Guarantees authorized pursuant to the *Farm Product Industry Act*, sec. 2	1,430	280
(16) Guarantees authorized pursuant to the *Ferry Corporation Act*, sec. 18[1]		
Notes	42,427	42,836
Capital Leases	86,353	43,977
(17) Indemnities authorized pursuant to the *Financial Administration Act*, sec. 56—		
W.L.C. Developments Ltd.		21,277
The Terry Fox Medical Research Foundation, *et al.*	8,000	8,046
Canadian Commercial Bank		14,228
Moli Energy Limited	20,000	15,748
National Homes Limited	43	65
(18) Guarantees authorized pursuant to the *Housing and Employment Development Financing Act*, secs. 5 and 6[1] — Bonds and debentures	2,226	149,437
(19) Guarantees authorized pursuant to the *Ministry of Transportation and Highways Act*, sec. 66, *re:* British Columbia Steamship Company (1975) Ltd.[1]		5,669
(20) Guarantees authorized pursuant to the *Petroleum Corporation Act*, secs. 10 and 12[1]	30,000	30,000
Subtotal, Economic Development	751,577	1,063,363

Table 7.12

Guaranteed Debt

Government of British Columbia Guaranteed Debt of Provincial Crown Corporations, Municipal and Other Local Governments and Private Sector

	1987	1986
	Net Outstanding[2]	Net Outstanding[2]
	($ thousands)	
Utilities —		
(21) Guarantees authorized pursuant to the *Hydro and Power Authority Act*, sec. 44[1] —		
Bonds and debentures	7,411,487	8,386,194
Subtotal, Utilities	7,411,487	8,386,194
Grand total, all guaranteed debt	10,316,959	12,013,900
Less: Amounts included above held by General and Special Funds[4]	(17,018)	(38,899)
Total Guaranteed Debt	**10,299,941**	**11,975,001**

[1] Details of maturity dates, interest rates, and redemption features of the outstanding debt of these Crown agencies are published in the Public Accounts.

[2] Net outstanding guaranteed debt includes gross principal debt and accrued interest less sinking fund balances, and represents the total amount of contingent liability of the province arising from relevant guarantees. Sinking funds for 1986 and 1987 totalled $2,856,956,000 and $2,734,057,854 respectively. Amounts payable in foreign currency are translated into Canadian dollars at the rate of exchange prevailing at the fiscal year-end.

[3] The government is directly responsible for paying 56.6 per cent to 100 per cent of debt service costs for health and education debt through various grant formulas. In 1986/87 the contributions totalled approximately $275 million or 77.5 per cent of debt service costs.

[4] As a result of government financing and investment policies, in addition to guaranteed debt held by the General and Special Funds of the Province, $2.5 billion of guaranteed debt is held by Trust Funds actively managed by the government.

Table 7.13

Long-Term Borrowing of Provincial Crown Corporations and Agencies During the Years Ended March 31, 1983, 1984, 1985, 1986 and 1987 From Provincial Trusteed Funds, the Canada Pension Plan Investment Fund and Public and Private Issues[1]

Provincial Crown Corporations	Fiscal year ended March 31 1983	1984	1985	1986	1987
			($ millions)		
British Columbia Hydro and Power Authority					
Private issues	—	—	54.8	50.0	—
Canada Pension Plan Investment Fund	—	—	88.0	37.7	14.4
Provincial trusteed funds	—	—	127.4	—	—
Public issues	677.3	830.1	410.8	—	100.0
	677.3	830.1	681.0	87.7	114.4
British Columbia Railway Company					
Public issues	—	—	25.0	25.0	—
Canada Pension Plan Investment Fund	—	—	—	24.5	—
Private issues	6.8	18.2	200.0[2]	—	—
	6.8	18.2	225.0	49.5	—
British Columbia School Districts Capital Financing Authority					
Canada Pension Plan Investment Fund	123.0	120.1	54.0	16.2	42.7
Provincial trusteed funds	25.0	11.0	—	—	—
Private issues	0.6	—	—	—	—
	148.6	131.1	54.0	16.2	42.7
British Columbia Educational Institutions Capital Financing Authority					
Public issues	—	—	5.2	7.0	4.8
Canada Pension Plan Investment Fund	82.6	76.8	16.3	5.5	5.3
Provincial trusteed funds	—	3.7	—	—	—
Private issues	—	—	—	—	9.5
	82.6	80.5	21.5	12.5	19.6
British Columbia Regional Hospital Districts Financing Authority					
Canada Pension Plan Investment Fund	105.7	95.4	52.4	14.0	50.0
Provincial trusteed funds	15.3	—	—	—	—
Private issues	12.0	—	—	—	—
	133.0	95.4	52.4	14.0	50.0
British Columbia Buildings Corporation					
Private issues	—	—	20.0	25.0	—
Canada Pension Plan Investment Fund	49.6	18.1	—	—	—
Provincial trusteed funds	109.9	—	—	—	—
Public issues	100.0	—	55.0	—	5.0
	259.5	18.1	75.0	25.0	5.0
British Columbia Systems Corporation					
Private issues	21.6	—	—	—	16.0
	21.6	—	—	—	16.0
British Columbia Development Corporation					
Private issues	—[3]	—	—	10.0	—
Public issues	—	—	—	—	—
	—[3]	—	—	10.0	—

[1] Includes foreign borrowings converted to Canadian dollars. Includes both fiscal agency borrowing and borrowing undertaken with a provincial government guarantee. Does not include changes in short-term debt outstanding. During 1984-85, Crown corporation and agency short-term debt outstanding decreased by $30.2 million. During 1985-86, Crown corporation and agency short-term debt outstanding increased by $293.9 million; 1986-87 increased by $22.1 million.

[2] $200 million preferred share issue.

[3] To avoid double counting, excludes $6 million borrowed by British Columbia Development Corporation from British Columbia Housing and Employment Development Financing Authority.

[4] On March 31, 1987, the British Columbia Enterprise Corporation was formed in a Crown corporation reorganization described in Chapter 4. British Columbia Enterprise Corporation assumed $64.3 million of British Columbia Development Corporation's debt which was originally incurred in 1982, $30.0 million of British Columbia Place debt which was incurred in 1984, and $4.0 million of WLC Developments Ltd. debt incurred in 1986.

[5] To avoid double counting, excludes $41.9 million borrowed by British Columbia Ferry Corporation and reloaned to the Province.

Table 7.13

Long-Term Borrowing of Provincial Crown Corporations and Agencies During the Years Ended March 31, 1983, 1984, 1985, 1986 and 1987 From Provincial Trusteed Funds, the Canada Pension Plan Investment Fund and Public and Private Issues[1]—*Continued*

Provincial Crown Corporations	Fiscal year ended March 31				
	1983	1984	1985	1986	1987
	($ millions)				
British Columbia Enterprise Corporation[4]					
Private issues	—	—	—	—	—
Provincial trusteed funds	—	—	—	—	—
Public issues	—	—	—	—	—
	—	—	—	—	—
British Columbia Ferry Corporation					
Canada Pension Plan Investment Fund	—	14.8	—	—	—
Private issues	—	—	—	43.2	—[5]
	—	14.8	—	43.2	—
British Columbia Petroleum Corporation					
Private issues	30.0	—	—	—	—
	30.0	—	—	—	—
British Columbia Place Ltd.					
Public issues	—	10.0	35.0	—	—
Provincial trusteed funds	—	30.0	—	—	—
	—	40.0	35.0	—	—
British Columbia Transit					
Canada Pension Plan Investment Fund	17.3	138.7	144.2	87.4	97.2
Private issues	26.1	36.7	26.2	92.8	—
	43.4	175.4	170.4	180.2	97.2
British Columbia Housing and Employment Development Financing Authority					
Provincial trusteed funds	6.0	—	—	—	—
Public issues	—	175.5	—	—	—
	6.0	175.5	—	—	—
W.L.C. Developments Ltd.					
Private issues	—	7.8	6.7	4.0	—
	—	7.8	6.7	4.0	—
University of British Columbia					
Public issues	—	—	—	5.0	—
Canada Pension Plan	—	—	—	—	16.5
Private issues	—	—	—	—	15.6
	—	—	—	5.0	32.1
Simon Fraser University					
Provincial trusteed funds	—	—	—	—	3.7
	—	—	—	—	3.7
Improvement Districts					
Provincial trusteed funds	—	—	—	1.3	0.3
	—	—	—	1.3	0.3

[1] Includes foreign borrowings converted to Canadian dollars. Includes both fiscal agency borrowing and borrowing undertaken with a provincial government guarantee. Does not include changes in short-term debt outstanding. During 1984/85, Crown corporation and agency short-term debt outstanding decreased by $30.2 million. During 1985/86, Crown corporation and agency short-term debt outstanding increased by $293.9 million; 1986/87 increased by $22.1 million.

[2] $200 million preferred share issue.

[3] To avoid double counting, excludes $6 million borrowed by British Columbia Development Corporation from British Columbia Housing and Employment Development Financing Authority.

[4] On March 31, 1987, the British Columbia Enterprise Corporation was formed in a Crown corporation reorganization described in Chapter 4. British Columbia Enterprise Corporation assumed $64.3 million of British Columbia Development Corporation's debt which was originally incurred in 1982, $30.0 million of British Columbia Place debt which was incurred in 1984, and $4.0 million of WLC Developments Ltd. debt incurred in 1986.

[5] To avoid double counting, excludes $41.9 million borrowed by British Columbia Ferry Corporation and reloaned to the Province.

Table 7.13

Long-Term Borrowing of Provincial Crown Corporations and Agencies During the Years Ended March 31, 1983, 1984, 1985, 1986 and 1987 From Provincial Trusteed Funds, the Canada Pension Plan Investment Fund and Public and Private Issues[1]—*Continued*

Provincial Crown Corporations	Fiscal year ended March 31				
	1983	1984	1985	1986	1987
	($ millions)				
Greater Vancouver Water District					
Private issues	—	—	—	—	20.0
	—	—	—	—	20.0
Greater Vancouver Sewerage and Drainage District					
Private issues	—	—	—	—	30.0
	—	—	—	—	30.0
Totals					
Canada Pension Plan Investment Fund	378.2	463.9	354.9	185.3	226.1
Provincial trusteed funds	156.2	44.7	127.4	1.3	4.0
Public and private issues	874.4	1,078.3	838.7	262.0	200.9
	1,408.8	1,586.9	1,321.0	448.6	431.0

[1] Includes foreign borrowings converted to Canadian dollars. Includes both fiscal agency borrowing and borrowing undertaken with a provincial government guarantee. Does not include changes in short-term debt outstanding. During 1984-85, Crown corporation and agency short-term debt outstanding decreased by $30.2 million. During 1985-86, Crown corporation and agency short-term debt outstanding increased by $293.9 million; 1986-87 increased by $22.1 million.

[2] $200 million preferred share issue.

[3] To avoid double counting, excludes $6 million borrowed by British Columbia Development Corporation from British Columbia Housing and Employment Development Financing Authority.

[4] On March 31, 1987, the British Columbia Enterprise Corporation was formed in a Crown corporation reorganization described in Chapter 4. British Columbia Enterprise Corporation assumed $64.3 million of British Columbia Development Corporation's debt which was originally incurred in 1982, $30.0 million of British Columbia Place debt which was incurred in 1984, and $4.0 million of WLC Developments Ltd. debt incurred in 1986.

[5] To avoid double counting, excludes $41.9 million borrowed by British Columbia Ferry Corporation and reloaned to the Province.

Table 7.14

Government and Crown Corporation Net Debt Summary for Years Ending March 31, 1983, 1984, 1985, 1986 and 1987[1]

	1983	1984	1985	1986	1987
			($ millions)		
Government Purpose	889.0	1,620.9	2,551.2	3,299.6	4,937.1
Crown Corporation Net Debt					
Commercial:					
British Columbia Hydro and Power Authority	7,661.4	8,335.8	8,918.2	8,838.8	8,341.5
British Columbia Petroleum Corporation	30.0	30.0	30.0	30.0	30.0
British Columbia Place	—	65.3	107.9	143.4	—
British Columbia Railway Company[2]	—	—	367.0	320.4	300.8
	7,691.4	8,431.1	9,423.1	9,332.6	8,672.3
Economic Development:					
British Columbia Cellulose Company	13.1	9.1	4.8	—	—
British Columbia Development Corporation	142.9	143.7	169.1	191.0	—
British Columbia Enterprise Corporation	—	—	—	—	121.2
British Columbia Ferry Corporation	59.0	43.6	43.2	86.8	128.8
British Columbia Housing and Employment Development Financing Authority	8.2	189.3	179.7	149.4	26.6
British Columbia Railway Company[2]	876.7	1,016.4	—	—	—
British Columbia Steamship Company (1975) Ltd.	3.9	4.8	4.9	5.7	3.1
British Columbia Transit	84.1	326.7	648.0	966.3	1,032.9
Expo 86 Corporation	—	43.9	206.4	286.8	98.7
W.L.C. Developments Ltd.	—	9.2	15.7	23.8	—
Other[3]	14.6	13.9	12.1	42.6	82.5
	1,202.5	1,800.6	1,283.9	1,752.4	1,493.8
Social and Government Services:					
British Columbia Assessment Authority	—	3.6	3.3	3.6	4.5
British Columbia Buildings Corporation	563.3	631.7	616.9	610.5	247.8
British Columbia Educational Institutions Capital Financing Authority	310.6	385.3	395.3	394.3	391.2
British Columbia Hospital Districts Financing Authority	686.8	741.8	748.5	712.3	714.7
British Columbia School Districts Capital Financing Authority	1,022.0	996.6	976.8	912.5	878.3
British Columbia Systems Corporation	54.5	51.6	52.0	53.5	44.1
Colleges and Universities[4]	—	—	23.1	64.0	104.7
Other[5]	32.2	25.0	28.9	38.0	45.8
	2,669.4	2,835.6	2,844.8	2,788.7	2,431.1
Plus Unallocated Accrued Interest on Fiscal Agency Debt[6]	—	3.2	27.1	—	—
Less Amounts Held as Investments by General and Special Funds	136.4	74.4	34.8	38.9	17.0
Total Guaranteed and Direct Debt	**12,315.9**	**14,617.0**	**16,095.3**	**17,134.4**	**17,517.3**

[1] Net debt is after deduction of sinking funds and includes accrued interest.

[2] Prior to 1984/85 debt outstanding for British Columbia Railway Company was considered to be economic development debt; for 1984/85 and later, this debt was considered to be commercial debt.

[3] Includes *Agricultural Credit Act, Farm Product Industry Act*, Terry Fox Medical Research Foundation, *Harbour Board Act*, Greater Vancouver Sewerage and Water District, and Greater Vancouver Water District.

[4] Includes University of British Columbia, Simon Fraser University and short-term interim capital construction financing obtained under the Certificate of Approval Program.

[5] Includes *Municipalities Assistance Act, Municipal Act*, Student Aid Loans and Riverview Hospital Volunteer Association.

[6] The allocation of accrued interest on fiscal agency loans is not available by corporation for 1984 and 1985.

Table 7.15

Historical Government and Crown Corporation Net Debt Summary for Years Ending March 31[1]

Year	Commercial[2]	Economic[2] Development	Social and Government Services	Government Purpose	Less: Amounts Held as Investments By General and Special Funds	Total Net Debt	Net Debt as a Per Cent of GDP
			($ millions)				
1967	1,238.3	165.6	332.5	—	—	1,736.4	27.1
1968	1,437.3	166.7	382.5	—	—	1,986.5	28.3
1969	1,522.4	166.8	417.8	—	—	2,107.0	27.4
1970	1,661.3	156.2	465.7	—	—	2,283.2	26.0
1971	1,807.5	185.9	511.6	—	—	2,505.0	27.5
1972	1,948.1	245.3	547.1	—	—	2,740.5	26.5
1973	2,061.8	298.4	590.0	—	—	2,950.2	24.8
1974	2,227.7	411.4	616.1	—	—	3,255.2	22.1
1975	2,649.9	462.2	690.4	—	—	3,802.5	21.8
1976	3,144.3	619.6	804.5	—	—	4,568.4	23.4
1977	3,787.4	725.6	971.3	261.4	—	5,745.7	25.0
1978	4,464.0	736.8	1,091.7	261.4	—	6,553.9	25.6
1979	4,437.6	723.7	1,249.9	261.4	165.5	6,907.1	24.0
1980	5,704.3	838.1	1,480.2	235.3	205.2	8,052.7	24.1
1981	5,911.2	883.1	1,654.0	209.2	161.0	8,496.5	22.2
1982	7,227.5	983.3	2,047.5	183.1	314.9	10,126.5	22.7
1983	7,691.4	1,202.5	2,669.4	889.0	136.4	12,315.9	26.8
1984	8,431.1	1,800.6	2,835.6	1,620.9	71.2[3]	14,617.0	30.3
1985	9,423.1	1,283.9	2,844.8	2,551.2	7.7[3]	16,095.3	31.5
1986	9,332.6	1,752.4	2,788.7	3,299.6	38.9	17,134.4	31.7
1987	8,672.3	1,493.8	2,431.1	4,937.1	17.0	17,517.3	30.3

[1] Net debt is after deduction of sinking funds and includes accrued interest.

[2] Prior to 1985 debt outstanding for British Columbia Railway Company was considered to be economic development debt; for 1985 and later, this debt is considered to be commercial debt.

[3] Includes unallocated accrued interest on fiscal agency loans.

Table 7.16

Investments In and Amounts Due From
Crown Corporations and Agencies at March 31, 1986 and 1987 (Unaudited)

	1987			1986
	Investments	Amounts Due	Total	Total
		($ thousands)		
British Columbia Buildings Corporation		45,744	45,744	54,885
British Columbia Development Corporation				20,779
British Columbia Enterprise Corporation	299,800	19,814	319,614	
British Columbia Ferry Corporation	6,851		6,851	6,851
British Columbia Food Exhibitions Ltd.[1]				
British Columbia Hydro and Power Authority		8,084	8,084	8,081
British Columbia Lottery Corporation				13,282
British Columbia Pavilion Corporation	157,000		157,000	
British Columbia Petroleum Corporation		85,905	85,905	100,905
British Columbia Railway Company	257,689	10,235	267,924	37,351
British Columbia Regional Hospital Districts Financing Authority		12,000	12,000	12,000
British Columbia School Districts Capital Financing Authority		44,088	44,088	44,084
British Columbia Steamship Company (1975) Ltd.[1]				
British Columbia Transit		49,000	49,000	55,000
Discovery Enterprise	6,100		6,100	
Housing Corporation of British Columbia[1]				
Pacific Coach Lines Limited[1]				
Provincial Rental Housing Corporation	634	25,589	26,223	26,050
W.L.C. Developments Ltd.[1]				
Workers' Compensation Board of British Columbia		1,502	1,502	1,502
	728,074	301,961	1,030,035	380,770

[1] The Province's investment is less than one thousand dollars for these corporations.

APPENDIX 8

LIEUTENANT GOVERNOR, EXECUTIVE COUNCIL AND MEMBERS OF THE THIRTY-FOURTH LEGISLATIVE ASSEMBLY

LIEUTENANT GOVERNOR
The Honourable Robert Gordon Rogers, K. St. J., LL.D.

EXECUTIVE COUNCIL

Premier and President of the Executive Council	Honourable William N. Vander Zalm
Provincial Secretary and Minister of Government Services	Honourable Elwood Veitch
Attorney General	Honourable Brian R. D. Smith, Q.C.
Minister of Forests and Lands	Honourable Dave Parker
Minister of Finance and Corporate Relations	Honourable Melville B. Couvelier
Minister of Agriculture and Fisheries	Honourable John Savage
Minister of Energy, Mines and Petroleum Resources	Honourable John Davis, P.C.
Minister of Education	Honourable Anthony J. Brummet
Minister of Labour and Consumer Services	Honourable Lyall Hanson
Minister of Economic Development	Honourable Grace M. McCarthy
Minister of Municipal Affairs	Honourable Rita M. Johnston
Minister of Health	Honourable Peter A. Dueck
Minister of Social Services and Housing	Honourable Claude H. Richmond
Minister of Transportation and Highways	Honourable Clifford C. Michael
Minister of Environment and Parks	Honourable W. Bruce Strachan
Minister of Intergovernmental Relations	Honourable C. Stephen Rogers
Minister of Tourism, Recreation and Culture	Honourable William E. Reid
Minister of Advanced Education and Job Training	Honourable Stanley Hagen

THIRTY-FOURTH LEGISLATIVE ASSEMBLY
(At August 1987)

Premier: Honourable William N. Vander Zalm

Speaker: Honourable John D. Reynolds

Leader of the Opposition: Michael Harcourt

Deputy Speaker: F. C. Austin Pelton

Clerk of the Legislative Assembly: Ian M. Horne, Q.C.

Sergeant-at-Arms: R. A. Nicol

Barnes, Emery O.	New Democrat	Vancouver Centre
Blencoe, Robin	New Democrat	Victoria
Boone, Lois	New Democrat	Prince George North
Bruce, Graham	Social Credit	Cowichan-Malahat
Brummet, Hon. Anthony J.	Social Credit	North Peace River
Campbell, Kim	Social Credit	Vancouver-Point Grey
Cashore, John	New Democrat	Maillardville-Coquitlam
Chalmers, Larry	Social Credit	Okanagan South
Clark, Glen	New Democrat	Vancouver East
Couvelier, Hon. Melville B.	Social Credit	Saanich and the Islands
Crandall, Duane	Social Credit	Columbia River
D'Arcy, Christopher	New Democrat	Rossland-Trail
Davidson, Hon. K. Walter	Social Credit	Delta
Davis, Hon. John, P.C.	Social Credit	North Vancouver-Seymour
De Jong, Harry	Social Credit	Central Fraser Valley
Dirks, Howard	Social Credit	Nelson-Creston
Dueck, Hon. Peter A.	Social Credit	Central Fraser Valley
Edwards, Anne	New Democrat	Kootenay
Fraser, Alexander V.	Social Credit	Cariboo
Fraser, Russell G.	Social Credit	Vancouver South
Gabelmann, Colin S.	New Democrat	North Island

Gran, Carol	Social Credit	Langley
Guno, Larry	New Democrat	Atlin
Hagen, Anita	New Democrat	New Westminster
Hagen, Hon. Stanley	Social Credit	Comox
Hanson, Gordon	New Democrat	Victoria
Hanson, Hon. Lyall	Social Credit	Okanagan North
Harcourt, Michael	New Democrat	Vancouver Centre
Hewitt, James J.	Social Credit	Boundary-Similkameen
Huberts, Dr. Terry	Social Credit	Saanich and the Islands
Jacobsen, Norman	Social Credit	Dewdney
Jansen, John	Social Credit	Chilliwack
Johnston, Hon. Rita M.	New Democrat	Surrey-Newton
Jones, Barry	Independent	Burnaby North
Kempf, Jack J.	Social Credit	Omineca
Loenen, Nick	Social Credit	Richmond
Long, Harold	New Democrat	Mackenzie
Lovick, Dale	Social Credit	Nanaimo
McCarthy, Hon. Grace M.	New Democrat	Vancouver-Little Mountain
Marzari, Darlene	Social Credit	Vancouver-Point Grey
Mercier, David	Social Credit	Burnaby-Edmonds
Messmer, Ivan	Social Credit	Boundary-Similkameen
Michael, Hon. Clifford C.	New Democrat	Shuswap-Revelstoke
Miller, Dan	Social Credit	Prince Rupert
Mowat, Douglas L., C.M.	Social Credit	Vancouver-Little Mountain
Parker, Hon. Dave	Social Credit	Skeena
Pelton, F. C. Austin	Social Credit	Dewdney
Peterson, Dan	Social Credit	Langley
Rabbitt, James	Social Credit	Yale-Lillooet
Ree, Angus	Social Credit	North Vancouver-Capilano
Reid, Hon. William E.	Social Credit	Surrey-White Rock-Cloverdale
Reynolds, Hon. John D.	Social Credit	West Vancouver-Howe Sound
Richmond, Hon. Claude H.	Social Credit	Kamloops
Rogers, Hon. C. Stephen	Social Credit	Vancouver South
Rose, Mark W.	New Democrat	Coquitlam-Moody
Savage, Hon. John	Social Credit	Delta
Serwa, Clifford	Social Credit	Okanagan South
Sihota, Moe	New Democrat	Esquimalt-Port Renfrew
Skelly, Robert E.	New Democrat	Alberni
Smallwood, Joan	New Democrat	Surrey-Guildford-Whalley
Smith, Hon. Brian R. D., Q.C.	Social Credit	Oak Bay-Gordon Head
Smith, Bud	Social Credit	Kamloops
Strachan, Hon. W. Bruce	Social Credit	Prince George South
Stupich, David D.	New Democrat	Nanaimo
Vander Zalm, Hon. William N.	Social Credit	Richmond
Vant, Neil	Social Credit	Cariboo
Veitch, Hon. Elwood N.	Social Credit	Burnaby-Willingdon
Weisgerber, Jack	Social Credit	South Peace River
Williams, Robert A.	New Democrat	Vancouver East

APPENDIX 9

THE MINISTRY OF FINANCE AND CORPORATE RELATIONS
(At August 1987)

Minister of Finance and Corporate Relations
The Honourable Mel Couvelier

Deputy Minister: Frank A. Rhodes

Executive Director, Executive Operations: R. A. Messent
Director of Communications: C. Zurawski

Administration and Support Services Division
Executive Director: W. H. Bell (Acting)

Directors:

- A. Carr (General Manager Information Systems)
- G. D. Price (Personnel) (Acting)
- A. van Iersel (Financial Services and Administration)

The Administration and Support Services Division provides financial, administrative, technical, personnel and computer services to the Ministry of Finance and Corporate Relations.

Provincial Treasury
Assistant Deputy Minister: M. Costello

Directors:

- B. J. Eaton (Central Borrowing and Planning) (Acting)
- D. G. Pearce (Cash Management)
- R. W. Vipond (Investments and Administration)

The Provincial Treasury is responsible for managing the financial assets and liabilities of the government. The Treasury assists the Minister of Finance and Corporate Relations by negotiating transactions to meet the funding requirements of the government and its corporations amounting to $1.7 billion in 1987/88. The Treasury manages assets valued at $13 billion; forecasts, monitors and controls the annual cash flow of the Consolidated Revenue Fund and trusteed funds; and manages 2,200 government bank accounts.

Revenue Division
Assistant Deputy Minister: E. L. Munro

Directors:

- A. B. Carver (Income Taxation)
- W. W. Moncur (Revenue Administration)
- D. J. Sandell (Surveyor of Taxes, Real Property Taxation)
- E. J. Turner (Executive Director, Consumer Taxation)

The Revenue Division is responsible for the legislative interpretation and administration of 14 taxation statutes which are the responsibility of the Minister of Finance and Corporate Relations, and for the collection of annual tax revenues of over $3 billion. Included are statutes covering the taxation of goods sold to consumers, property taxation in rural areas of the province, provincial income and capital based taxes, and a property purchase tax. The division also has the responsibility of ensuring compliance under the *Income Tax Act* which is administered by Revenue Canada. Through vendor education, taxpayer audit and assessment, accounts receivable control and appropriate collections activities, revenue is maximized and taxpayer compliance is ensured.

Treasury Board Staff
Secretary to Treasury Board: P. G. Halkett

Directors:

- J. A. Crone (Government Estimates and Administrative Policy) (Acting)
- A. Eastwood (Taxation and Intergovernmental Relations) and (Financial and Economic Analysis)
- L. T. Foster (Economic Development Policy)
- R. J. Hobart (Social Policy) (Acting)

Treasury Board Staff is responsible for planning, analysis and policy development with respect to economic, financial and management matters affecting the government and the province. Advice and support is provided to the government in forecasting and strategic planning, and in acquisition, allocation and management of resources for the purpose of meeting government priorities.

Office of the Comptroller General
Comptroller General: D. B. Marson
Deputy Comptroller General: A. J. Barnard

Directors:

- R. C. Corbeil (Financial Management)
- F. G. Hepburn (Executive Director, Internal Audit)
- A. R. Horner (Financial Disbursement Operations)
- M. A. Petrie (Central Accounting)
- A. C. Pickering (Government Payroll Office)
- V. Skaarup (Reporting and Analysis)

The Office of the Comptroller General establishes the accounting principles, policies and practices governing the accounts of the province, establishes the financial management control and reporting systems in use throughout government, and advises the Treasury Board on all matters pertaining to government financial management policies and practices. The office maintains the central accounting, reporting and payment systems for the government and prepares the annual Public Accounts and related reports. In addition, the office advises and assists ministries in establishing and improving their accounting and control systems, provides an internal audit function for the independent review of the effectiveness and efficiency of financial control systems, oversees corrective measures undertaken to correct weaknesses identified in audit reports, and develops and administers training programs in government financial management administration.

Corporate Relations
Assistant Deputy Minister: G. Armstrong

- H. A. Dilworth (Director, Corporate Investigations)
- M. Jorre de St. Jorre (Registrar of Companies)
- A. E. Mulholland (Superintendent of Financial Institutions)
- D. J. Perrin (Director, Policy and Legislation) (Acting)

The Corporate Relations Division regulates financial services and commercial and investment activities in British Columbia. The Division encourages investment and financial activity, and acts to maintain investor confidence through safe and orderly markets while avoiding over-regulation which would impede business activity and growth.

APPENDIX 10

GOVERNMENT AGENTS (At August 1987)

Location	Telephone	Government Agent	Location	Telephone	Government Agent
Ashcroft	453-2412	E. J. Johnstone	Merritt	378-9343	G. Swan
Atlin	651-7577	P. J. Welock	Nakusp	265-3646	J. D. Young
Bella Coola	799-5361	J. K. Foster	Nanaimo	755-2200	B. W. Hansen
Burns Lake	692-7117	E. Fukishima	Nelson	354-6104	P. Lee
Campbell River	286-7555	W. H. Ketcham	New Westminster	660-8666	G. S. Townsend
Cassiar	778-7507	G. J. Swift	Oliver	498-3818	D. R. Blatchford
Chetwynd	788-2239	M. Buckna	100 Mile House	395-5595	J. Dunsmuir
Chilliwack	795-8415	J. D. Hay	Penticton	492-1211	B. Hibbons
Clinton	459-2268	F. M. Westergaard	Port Alberni	724-9200	W. G. Mundell
Courtenay	334-1100	D. Egeland	Port Hardy	949-6323	W. H. Newman
Cranbrook	426-1211	W. R. Anderson	Powell River	485-2815	A. M. LaPointe
Creston	428-3211	W. W. Forrester	Prince George	565-6060	W. C. Christie
Dawson Creek	784-2224	S. W. Minifie	Prince Rupert	627-0415	T.B.A.
Duncan	746-1226	A. W. Milton	Princeton	295-6957	C. A. Heroux
Fernie	423-6845	C. Holmes	Queen Charlotte City	559-4452	P. Borton
Fort Nelson	774-6945	C. T. Hall	Quesnel	992-4301	R. A. Campbell
Fort St. James	996-7585	J. A. Lane	Revelstoke	837-7636	J. W. Torrance
Fort St. John	787-3350	J. R. Frey	Rossland	362-7324	A. D. Sherwood
Fraser Lake	699-6296	T.B.A.	Salmon Arm	832-1611	D. J. Koskimaki
Ganges	537-5414	W. L. Campbell	Sechelt	885-5187	T.B.A.
Golden	344-5221	J. W. Olson	Smithers	847-7211	D. G. McMillan
Grand Forks	442-5444	S. Matsuo	Sparwood	425-6363	S. F. Arola
Houston	845-2990	C. S. Berry	Squamish	892-2400	D. L. Martin
Invermere	342-6617	B. G. Mackenzie	Stewart	636-2294	T.B.A.
Kamloops	828-4540	W. Poohachoff	Terrace	638-3200	R. A. Trombley
Kaslo	353-2219	J. James	Ucluelet	726-7025	J. Stanhope
Kelowna	861-7440	W. A. R. Tozer	Valemount	566-4448	J. D. Mackenzie
Kitimat	632-6188	L. Deacon-Rogers	Vanderhoof	567-6301	W. J. Woolsey
Lillooet	256-7548	R. E. Hall	Vernon	549-5511	N. G. Schulz
Mackenzie	997-4270	L. Ehrman	Williams Lake	398-4211	J. H. Hoem
Maple Ridge	467-6901	K. W. Kelly			

APPENDIX 11

MUNICIPAL POPULATION, 1986 CENSUS

Cities

Armstrong	2,706
Castlegar	6,385
Colwood	11,546
Courtenay	9,631
Cranbrook	15,893
Dawson Creek	10,544
Duncan	4,039
Enderby	1,714
Fernie	5,188
Fort St. John	13,355
Grand Forks	3,282
Greenwood	767
Kamloops	61,773
Kelowna	61,213
Kimberley	6,732
Langley	16,557
Merritt	6,180
Nanaimo	49,029
Nelson	8,113
New Westminster	39,972
North Vancouver	35,698
Penticton	23,588
Port Alberni	18,241
Port Coquitlam	29,115
Port Moody	15,754
Prince George	67,621
Prince Rupert	15,755
Quesnel	8,358
Revelstoke	8,279
Rossland	3,472
Trail	7,948
Vancouver	431,147
Vernon	20,241
Victoria	66,303
White Rock	14,387
Williams Lake	10,280
	1,110,806

Districts

Abbotsford	14,496
Burnaby	145,161
Campbell River	16,986
Central Saanich	11,475
Chetwynd	2,774
Chilliwack	41,337
Coldstream	6,872
Coquitlam	69,291
Delta	79,610
Elkford	3,187
Esquimalt	15,972
Houston	3,905
Hudson's Hope	1,158
Invermere	1,998
Kent	3,741
Kitimat	11,196
Langley	53,434
Logan Lake	2,001
Mackenzie	5,542
Maple Ridge	36,023
Matsqui	51,449
Metchosin	3,676
Mission	21,985
New Hazelton	796
North Cowichan	18,674
North Saanich	7,247
North Vancouver	68,241
Oak Bay	17,065
Peachland	2,988
Pitt Meadows	8,004
Port Hardy	5,389
Powell River	12,440
Richmond	108,492
Saanich	82,940
Salmon Arm	11,199
Sechelt	4,814
Spallumcheen	4,310
Sparwood	4,540
Squamish	10,157
Stewart	858
Summerland	7,755
Surrey	181,447
Terrace	10,532
Tofino	940
Tumbler Ridge	4,387
Vanderhoof	3,505
West Vancouver	36,266
Whistler	2,002
	1,218,257

Towns

Comox	6,873
Creston	4,098
Gibsons	2,675
Golden	3,584
Hope	3,046
Ladysmith	4,393
Osoyoos	2,956
Parksville	5,828
Port McNeill	2,559
Princeton	2,910
Qualicum Beach	3,410
Sidney	8,982
Smithers	4,713
	56,027

Villages

Alert Bay	679
Ashcroft	1,914
Belcarra	549
Burns Lake	1,723
Cache Creek	1,147
Chase	1,933
Clinton	754
Cumberland	1,853
Fort Nelson	3,729
Fort St. James	1,983
Fraser Lake	1,182
Fruitvale	1,932
Gold River	1,879
Granisle	646
Harrison Hot Springs	652
Hazelton	436
Kaslo	858
Keremeos	839
Lake Cowichan	2,170
Lillooet	1,758
Lions Bay	1,152
Lumby	1,181
Lytton	368
McBride	592
Masset	1,529
Midway	640
Montrose	1,183
Nakusp	1,410
New Denver	596
Oliver	1,963
100 Mile House	1,692
Pemberton	347
Port Alice	1,387
Port Clements	539
Port Edward	704
Pouce Coupe	813
Salmo	1,014
Sayward	417
Silverton	233
Slocan	294
Tahsis	1,445
Taylor	711
Telkwa	863
Ucluelet	1,512
Valemount	1,161
Warfield	1,840
Zeballos	195
	54,397

Summary

Cities	1,110,806
Districts	1,218,257
Towns	56,027
Villages	54,397
	2,439,487

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Victoria, 1987